



ECOFIN

TALMUN'26

Agenda Item: Ensuring Transparency in Tax Systems and Preventing Corporate Tax Evasion

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1. Letter From the Head of the Academy

Dear Delegates,

With my absolute pleasure, I would like to extend a heartfelt welcome to each delegate who is participating in the third edition of TAL Model United Nations. As this conference's Head of the Academy, I can indicate that I am beyond agitated to witness your commitment and the talent in the matter of diplomacy that you will debate in this year's event.

This year, as we continue our academic journey in high dedication with six new committees. Some will highlight the global challenges that the people of today face everyday, while others aim to take you into worlds of pure imagination created by our imaginative team. Across this journey, I full-heartedly believe that you will find ways to overcome the tests awaiting you by utilizing your critical thinking skills.

As you step into the world of Model United Nations, I profoundly encourage you to think like diplomats and approach the agenda with creativity and resilience. Never forget that the new acquisitions you will gain during the conference will not only stay here; they will also stay with you and continue to help you during your life experiences, inspiring new generations.

Thank you all for being a part of this journey. I wish you all a delightful conference that pleases you both academically and socially. Remember that you are the ones who will make this path unforgettable for yourselves. If you ever need any further assistance, please do not hesitate to reach out to me.

Best Regards,

Yağmur AKYURT

Head of Academy

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2. Letter From the Under Secretary General of ECOFIN

Dear Delegates,

It is with great pleasure that I extend a sincere invitation to all delegates to participate in the third edition of the Tekirdağ Anatolian High School Model United Nations Conference. As the Under Secretary-General of the ECOFIN Committee, it is a distinct privilege to observe and support solution-oriented deliberations on one of the most critical and pressing issues confronting the global community today.

Our Agenda “Combating Tax Evasion and Enhancing Transparency in Tax Systems” focuses on one of the most significant challenges confronting the global economy. Tax evasion erodes public confidence in state institutions, limits governments’ capacity to act effectively, and restricts access to the financial resources required for sustainable development, social protection, and long-term economic stability.

The growing complexity of financial arrangements, including offshore structures and non-transparent corporate practices, has enabled both individuals and multinational enterprises to take advantage of weaknesses in domestic and international tax regimes. Such practices undermine fair competition and contribute to widening economic disparities both within states and across regions.

As delegates, your responsibility is to develop innovative solutions, assess their feasibility, and draft resolutions that promote global cooperation. You are encouraged to conduct thorough research, consider diverse perspectives, and embrace compromise in order to formulate effective and sustainable policy outcomes.

I extend my sincere appreciation for your unwavering commitment to combating tax evasion and enhancing transparency in tax systems, and I look forward to witnessing the continued impact of the ECOFIN Committee.

Best Regards,

Defne Ece KARAKAYA

Under Secretary General

3.Introduction to the Committee

What is ECOFIN?

In today's increasingly globalized world, economic interdependence among states has grown significantly, making financial transparency and international cooperation more important than ever.

The Economic and Financial Committee (ECOFIN) serves as a platform where member states can work together to develop comprehensive solutions to global economic challenges through the coordination of economic policies. In this process, shared goals such as equality, sustainability, and economic progress are pursued, while international cooperation is promoted to encourage fair competition and ensure that states have sufficient resources to finance public services.

By playing a significant role in shaping financial policies that affect millions of people worldwide, ECOFIN's work contributes to long-term economic stability and supports the broader development goals of the United Nations.

4. Introduction to the Agenda Item

Key Terms and Definitions:

- **Tax Transparency:** Tax transparency refers to the degree to which tax-related information is disclosed and accessible to relevant authorities, enabling effective monitoring of financial activities. It plays a crucial role in preventing tax evasion, increasing accountability, and enhancing the integrity of national and international tax systems.
- **Corporate Tax Evasion:** Corporate tax evasion is the deliberate concealment of financial information with the aim of reducing or eliminating corporate tax liabilities. Such practices undermine public revenues, fair competition, and erode trust in economic institutions.
- **Tax Avoidance:** Tax avoidance involves the strategic use of legal frameworks, loopholes, or mismatches between national tax systems to minimize tax obligations. Although technically legal, aggressive tax avoidance challenges the principles of fairness and equity in taxation.
- **International Tax Cooperation:** International tax cooperation refers to coordinated efforts among states and international organizations to facilitate

information sharing, establish common standards, and prevent cross-border tax evasion and avoidance.

- **Shell Companies:** Fake businesses set up to hide illegal funds by disguising them as legitimate business revenue. These entities often exist only on paper and have no real operations.
- **Illicit Financial Flows (IFFs):** Illicit financial flows refer to cross-border movements of money that are illegally earned, transferred, or utilized. These flows are commonly linked to tax evasion, corruption, and money laundering, and they significantly reduce states' capacity to finance development and public services.
- **Profit Shifting:** Profit shifting describes the practice by which multinational enterprises allocate profits to jurisdictions with lower tax rates, often without corresponding economic activity. This practice erodes national tax bases and creates imbalances in the global economic system.
- **Structuring:** The process of splitting large amounts of money into smaller, less suspicious transactions to evade reporting requirements.
- **Money Laundering:** Money laundering is concealing or disguising the origins of illegally obtained proceeds so that they appear to have originated from legitimate sources. It is frequently a component of other serious crimes such as drug trafficking, robbery or extortion.
- **Cryptocurrency:** A digital or virtual currency that uses cryptography for secure transactions. While it offers benefits like decentralization and anonymity, these features also make it attractive for money laundering.

5. Background the Agenda Item

a. Legal Regulation

i. Deterrent laws

In its approach to combating tax evasion, the ECOFIN Committee places strong emphasis on legal and administrative measures that enhance transparency across the European Union, reinforce information exchange and establish common minimum standards among member states. Within this framework, the Committee promotes the development of automated tax information exchange systems, the adoption of rules to curb aggressive tax planning, the introduction of country-by-country reporting obligations for multinational

enterprises, and tighter controls on financial crimes linked to money laundering. At the same time, ECOFIN seeks to exert pressure on third countries through the EU's list of non-cooperative tax jurisdictions and to align EU policies with broader global tax reform efforts.

From a broader perspective, ECOFIN views tax evasion and aggressive tax practices as major threats to the financial sustainability and tax fairness of the European Union. These practices are seen as undermining public revenues and weakening confidence in the tax system. As a result, the Committee supports the adoption of binding legal instruments with a strong deterrent effect, focusing on closing legal loopholes, increasing transparency and ensuring effective cooperation among member states.

A key element of this strategy has been the support for the Anti-Tax Avoidance Directives (ATAD). These directives are specifically designed to prevent multinational companies from shifting profits to low-tax jurisdictions. By targeting artificial corporate structures, controlled foreign companies and excessive interest deductions, ATAD aims to limit practices that erode the tax base. In doing so, aggressive tax planning has become significantly riskier from both a legal and financial standpoint.

ii. Tax Amnesty

Although tax amnesty can increase public revenues in the short term, it carries the risk of weakening tax compliance and strengthening the perception of "impunity" in the long term.^c

For this reason, tax forgiveness is considered not as a structural means of struggle, but as an exceptional and temporary measure. Member states are encouraged to avoid frequent and wide-ranging tax amnesty practices, instead focusing on deterrent and systematic mechanisms that prevent tax evasion. Increasing transparency, automatic information exchange, strong audit systems and effective sanctions are among the prioritized tools.

. Within ECOFIN's policy framework, tax amnesties are viewed as acceptable only under exceptionally strict conditions. Such measures are considered legitimate solely when they are implemented on a one-time basis, limited in scope, and accompanied by strong audit

and enforcement mechanisms. Without these safeguards, tax amnesties are regarded as undermining tax fairness by penalising compliant taxpayers and weakening the long-term fight against tax evasion.

iii. Tax Audit

Strong emphasis is placed on audit systems built on the automatic exchange of information between member states. The regular sharing of data on bank accounts, financial assets, digital platform revenues and crypto assets enables tax administrations to identify high-risk taxpayers more effectively and carry out targeted audits. This approach shifts the focus away from traditional random inspections towards audits based on risk analysis.

In addition, special audit mechanisms are supported for multinational companies. Through information on country-based reporting and transfer pricing, tax administrations can control whether companies are artificially shifting their profits to other countries. Such audits focus especially on large-scale and cross-border companies.

Another important area is simultaneous and joint audits. The tax administration of more than one member state jointly supervises the same taxpayer or group of companies, reducing information gaps and revealing cross-border tax evasion more effectively. This method increases deterrence in cases where national inspections are insufficient.

Furthermore, integrating tax audits with anti-money laundering audits is encouraged. Notifications obtained from banks, financial institutions and certain occupational groups allow tax administrations to examine suspicious financial movements. Thus, tax evasion is audited as part of the chain of financial crimes, not just an administrative violation.

As a result, the audit approach in the fight against tax evasion is based on transparency, risk-oriented methods, strengthened cross-border cooperation and technology-supported systems. The aim is to make tax evasion more effective, systematically complicate tax evasion and permanently increase tax compliance.

B. Technology

i. Digital Tax Systems

Advancements in digital technology have significantly transformed national tax administrations and the way governments monitor and collect taxes. Digital tax systems enable states to increase transparency in tax frameworks, automate tax reporting, improve data accuracy, and strengthen control over corporate financial activities. Through electronic filing, real-time data collection, and centralized databases, governments can reduce human error and limit opportunities for tax evasion. By digitizing financial records and requiring standardized reporting formats, tax authorities are better equipped to detect inconsistencies, profit shifting, and undeclared income. This is particularly important in addressing corporate tax evasion, as multinational companies often operate across multiple jurisdictions with complex financial structures. Additionally, digital tools enable countries to share tax information securely, facilitating collaborative work. Automated information exchange systems and data sharing platforms help combat illicit money flows and support fair taxation. However, since not all countries have the same level of digital infrastructure or technology; this situation poses challenges and demonstrates the need for international support and cooperation to improve digital tax systems worldwide.

Certain Countries with Digital Tax Systems:

Estonia: Estonia, a pioneer in digital government practices, is known for its fully online tax filing system and inter-agency real-time digital reporting systems. Companies and individuals can conduct tax transactions quickly and transparently in a digital environment.

United Kingdom: As part of the "Making Tax Digital" program, it has become mandatory for businesses to keep digital records and submit tax information to tax authorities through online systems. This system aims to increase tax compliance and reduce errors.

South Korea: The regular monitoring of company transactions and the increased effectiveness of tax audits are made possible by electronic tax invoicing and digital payment tracking systems.

India: India has implemented the Goods and Services Tax (GST) system, which requires digital invoicing and online tax return filing. The aim of this initiative is to reduce tax evasion and increase transparency.

ii. Regular Data Flow

Regular data flow refers to the continuous, systematic, and up-to-date collection and sharing of financial and tax-related data among companies, financial institutions, and tax authorities. This type of data flow allows governments to monitor economic activities more effectively and to intervene in potential tax evasion risks in a timely manner. Through regular data flow mechanisms, economic activities can be monitored more efficiently, enabling early detection of sudden profit shifts, inconsistencies in corporate reporting, and possible tax evasion risks. This reduces reliance on delayed or incomplete reporting, strengthens tax compliance, and increases accountability. When combined with digital tax systems, these processes enhance transparency, limit illegal financial flows, and contribute to building trust among states. However, issues such as data security, privacy protection, and differences in technological capacity must also be taken into account.

Certain Countries with Regular Data Flow:

Netherlands: The regular data flow in the Netherlands is supported by advanced digital infrastructure and is constantly updated through automated systems. This places the country second in the world in terms of online connectivity.

Finland: CSC collects reliable and high-quality data for the Ministry of Education and Culture; this data is used to guide science and education policies, for statistical purposes, and for funding allocation.

Japan: Japan supports regular data flow through advanced digital systems used by tax authorities and financial institutions. Electronic tax filing platforms and digital accounting requirements ensure consistent collection and updating of financial data. This

helps authorities monitor commercial activities more effectively, detect reporting discrepancies early, and improve tax compliance.

Germany: Germany uses standardized digital systems to ensure regular data flow. Through the ELSTER platform, tax returns are submitted online and data is collected on time. E-invoicing and digital accounting systems allow transactions to be transferred automatically. All these processes are protected by strict data protection rules such as the GDPR.

iii. Monitoring Digital Wallet Transactions

The growing use of digital wallets and electronic payment systems has changed the way people and companies make payments. These tools are fast and easy to use, but they also create problems for tax authorities. It may be harder to see taxable transactions and stop tax evasion. By monitoring digital wallet transactions, governments can better follow the movement of money that does not go through traditional banks. When digital wallet data is connected to tax systems, authorities can more easily track income, international payments, and company transactions. This helps reduce hidden income and false reporting. However, monitoring must protect people's privacy. Clear laws, simple reporting rules, and secure data systems are needed to make sure personal information is safe. Since many digital payment platforms work in different countries, cooperation between governments is also very important.

Certain Countries with Monitoring Digital Wallet Transactions

United Kingdom: The UK is implementing the Cryptoasset Reporting Framework (CARF), which requires major crypto and digital asset platforms to collect and report detailed transaction data (such as amounts and user tax residency) to the tax authority to fight tax evasion. This data will also be shared with other countries' tax authorities.

Ghana: Ghana introduced an electronic levy (E-levy) on digital transactions. This is a tax on electronic payments (including mobile money and wallets) to broaden the tax base and capture money moving digitally.

European Union Pilot Countries (Netherlands, Portugal, Finland): These EU states are taking part in a pilot project that links digital wallets with VAT reporting. The aim is

to automatically report value-added tax (VAT) data in real time using digital wallet transactions.

Australia: Through the Australian Transaction Reports and Analysis Centre (AUSTRAC), Australia monitors financial transactions (including digital payments) to detect money laundering, tax evasion, and other illicit activities.

C. Economic

Tax evasion is not treated by ECOFIN as a simple violation of tax rules or a technical administrative problem. Instead, it is understood as a structural economic issue that directly affects the functioning of the European economy, fiscal sustainability and social cohesion. The Committee points out that tax evasion significantly weakens public finances by narrowing the tax base of Member States and causing substantial losses in public revenue. As a result, public budgets face greater pressure, borrowing requirements increase and fiscal stability becomes more fragile, especially during periods of economic slowdown or crisis.

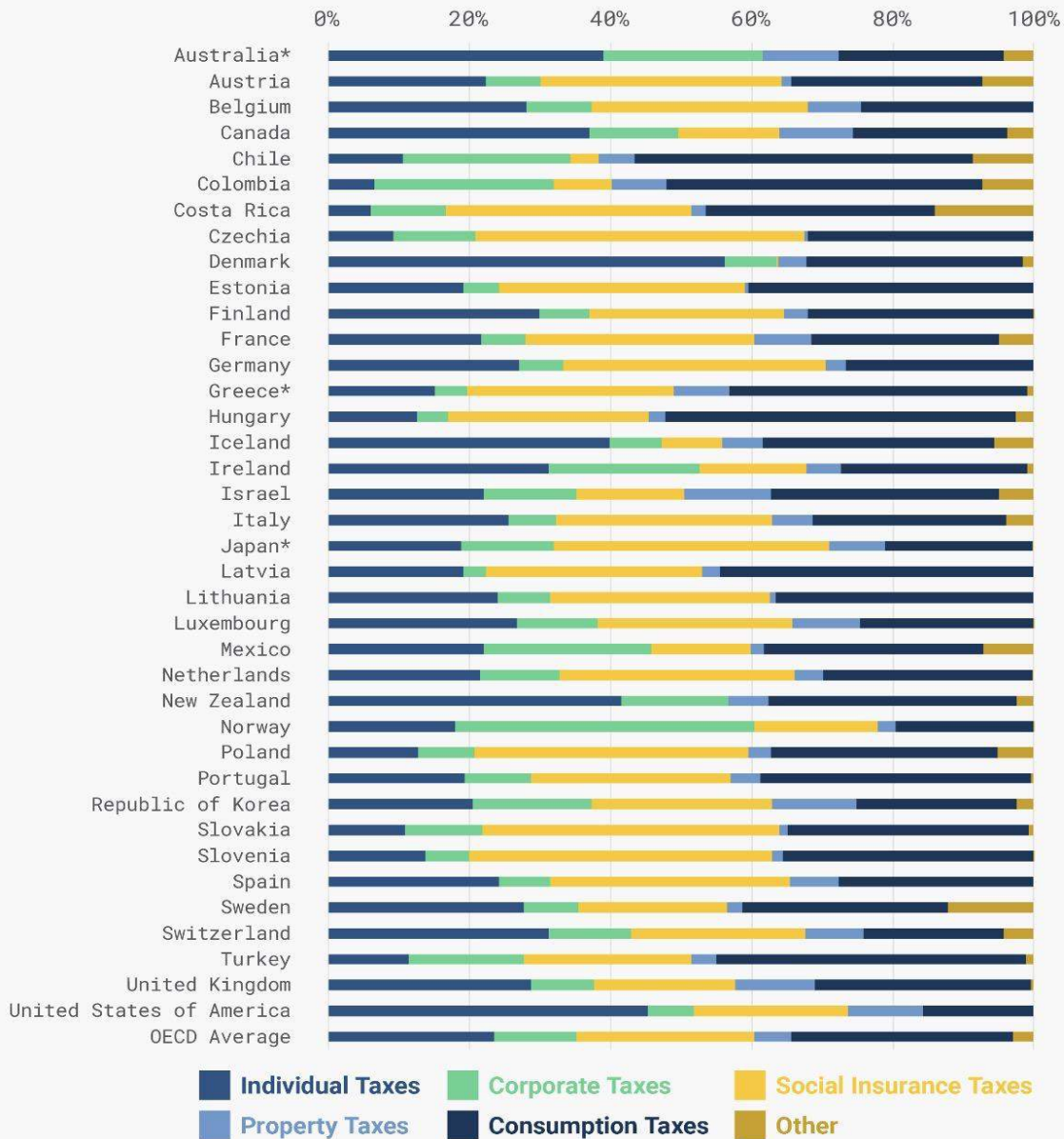
Beyond its fiscal impact, tax evasion is also seen as a source of inequality and unfairness within society. When individuals or businesses fail to meet their tax obligations, the financial burden is shifted onto compliant taxpayers. This dynamic deepens income and wealth disparities and undermines the foundations of the European Union's social model. At the same time, declining trust in the tax system weakens tax morale and damages social cohesion, especially when perceptions of impunity take hold.

The economic consequences extend to market functioning as well. Tax evasion distorts competition by allowing non-compliant businesses to gain unfair advantages over those that respect tax rules. As a result, resources are diverted away from productive and regulated activities toward informal or weakly supervised sectors. Over time, this misallocation reduces overall productivity and hampers sustainable economic growth.

In addition, the negative effects of tax evasion on the European Union's Single Market are highlighted. Practices such as aggressive tax planning and harmful tax competition among Member States create imbalances between countries and undermine fair competition. For this reason, tax evasion is treated not merely as a domestic concern, but as a shared European challenge that requires coordinated and consistent policy responses across the Union.

Tax Structures Vary Significantly across OECD Countries

Sources of Tax Revenue, OECD Countries, 2022



Note: * Data for Australia, Japan, and Greece is from 2021 because 2022 data was not available yet.
Source: OECD, "Revenue Statistics - OECD Countries Comparative Tables."

At the global level, tax evasion is linked to profit shifting, the use of tax havens and aggressive tax practices by multinational enterprises. In response, international initiatives such as the OECD's Base Erosion and Profit Shifting (BEPS) process, the automatic exchange of information and common EU measures against harmful tax practices are supported. These efforts are considered not only necessary to protect national and global tax bases, but also essential for maintaining fair, effective and credible tax systems. In

this sense, tax evasion is ultimately defined as a multidimensional structural problem that threatens economic stability and deeper European integration.

i. Income Distribution

The relationship between income distribution and tax evasion is regarded as a structural issue that lies at the core of economic justice and social cohesion. According to ECOFIN, tax evasion is not a passive by-product of inequality, but an active mechanism that deepens income disparities.

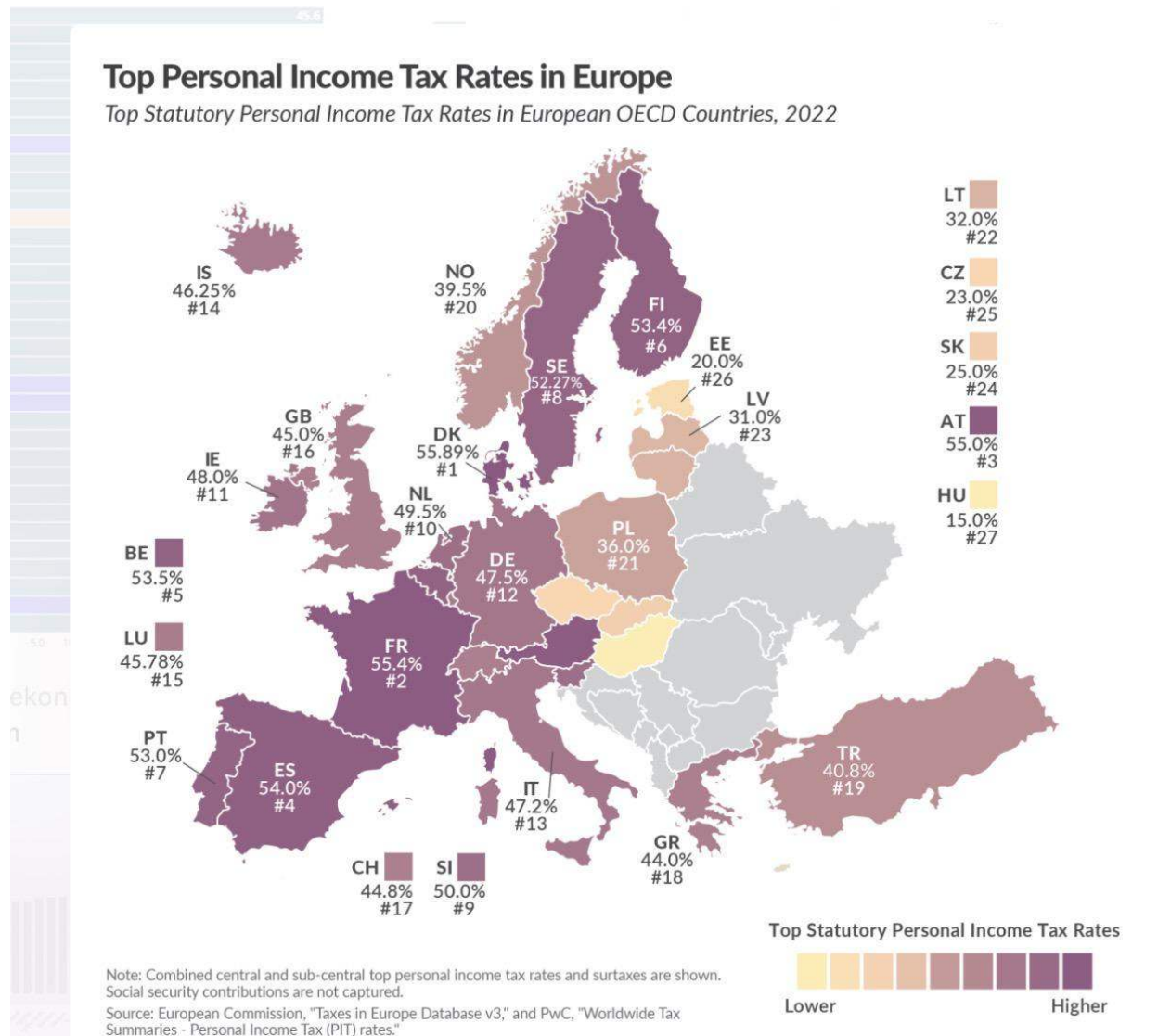
In the committee framework, tax evasion primarily undermines the progressive structure of tax systems. When high-income individuals, large corporations, and multinational entities are able to evade taxes or engage in aggressive tax planning, the effective tax burden shifts toward middle- and lower-income groups. This weakens the redistributive function of taxation and contributes to the persistence of income inequality.

This emphasizes that tax evasion reduces public revenues and thereby directly constrains the financing of redistributive policies. Losses in tax revenues limit public spending on social transfers, education, healthcare, and employment policies that are essential for correcting income imbalances. As a result, low-income and vulnerable groups are disproportionately affected, both directly and indirectly.

Another key dimension highlighted by the council is the erosion of the perception of fairness. In environments where tax evasion is widespread, taxpayers who comply with their obligations tend to view the system as unjust, which weakens tax morale. This erosion of tax morale further reduces compliance, creating a vicious cycle that reinforces inequality.

That also draws attention to the role of tax evasion in accelerating wealth concentration. In particular, the evasion of taxes on capital income and cross-border profits enables wealth to accumulate in the hands of a narrow segment of society, increasing inequality of opportunity and limiting social mobility. In this sense, tax evasion is seen as a factor that deepens not only income inequality but also intergenerational inequality.

To conclude, according to the council, tax evasion distorts income distribution, weakens social justice, and directly conflicts with the European Union's objectives of inclusive and sustainable growth. Combating tax evasion is therefore considered by the council to be not only a requirement for fiscal discipline, but also an essential precondition for achieving fair income distribution and social cohesion.



ii. Informal Economy

There is a strong, bidirectional, and structural link between tax evasion and the informal economy. This considers these two phenomena as core problems that reinforce one another and undermine the transparency, fair competition, and fiscal sustainability of European Union economies.

The informal economy provides a conducive environment for tax evasion. When economic activities are carried out outside the formal system, incomes remain undeclared, employment is informal, and tax obligations can be avoided. This situation narrows the tax base of Member States and leads to persistent losses in public revenues.

At the same time, tax evasion is viewed as a factor that actively encourages the expansion of the informal economy. Businesses that evade taxes gain a cost advantage, placing firms operating within the formal economy under competitive pressure and, in some cases, pushing them to shift into informality in order to survive. In this way, tax evasion and informality create a self-reinforcing vicious cycle.

This relationship also has clear consequences for the functioning of markets. Tax evasion and informal economic activities create unfair competition, lead to inefficient use of resources and allow unproductive practices to spread. Over time, these effects reduce productivity and slow overall economic growth.

Furthermore, the prevalence of tax evasion and the informal economy erodes trust in institutions and in the rule of law. The perception that tax rules are not effectively enforced weakens tax morale and reduces voluntary compliance, which in turn facilitates the further spread of both informal activities and tax evasion.

In conclusion, the link between tax evasion and the informal economy is regarded as a serious threat to fiscal discipline, fair competition, and social cohesion. Therefore, addressing these issues should not be limited to audits and sanctions alone, but should be tackled through comprehensive economic and institutional policies, including digitalisation, strengthened administrative capacity, increased transparency, and enhanced coordination among Member States.

d) Social

i. Education

Education plays a crucial role in strengthening tax compliance and reducing tax evasion by shaping citizens' financial literacy, civic responsibility, and trust in public institutions. A lack of basic education—particularly in financial and tax-related knowledge—often leads to unintentional non-compliance, misinformation, and dependence on the informal economy.

Tax education from an early age helps individuals understand the purpose of taxation, how tax revenues are used for public services, and the long-term societal benefits of compliance. Integrating basic tax concepts into school curricula and vocational training programs can improve awareness, especially among young people and future entrepreneurs.

In addition, adult education programs and public campaigns are essential in reaching self-employed individuals and workers in the informal sector, who may lack access to formal guidance on tax obligations. Digital learning platforms, workshops, and partnerships with civil society organizations can further expand outreach.

By investing in education, governments can foster a culture of voluntary compliance, reduce enforcement costs, and promote social equity by ensuring that all citizens understand both their rights and responsibilities within the tax system

ii. Tax Awareness

Tax awareness is a fundamental social factor in ensuring that individuals understand their tax obligations, comprehend the tax system, and recognize the role of taxation in financing public services. In societies where tax awareness is low, tax evasion and tax avoidance can become widespread, both intentionally and unintentionally.

Effective tax awareness policies should not rely solely on legal sanctions, but also on education, guidance, and public awareness initiatives. Providing citizens with clear and accessible information about tax procedures, declaration requirements, and potential penalties through public campaigns, social media, and informational materials is of great importance.

Targeted awareness programs should be developed especially for small and medium-sized enterprises (SMEs), self-employed individuals, and those operating within the informal economy. Advisory services and guidance mechanisms tailored to these groups can play a significant role in increasing voluntary tax compliance.

Increasing tax awareness strengthens trust between the state and society, reduces negative perceptions of taxation, and encourages citizens to view taxes not merely as a financial burden but as a social responsibility. In the long term, this contributes to the development of a more fair, transparent, and sustainable tax system.

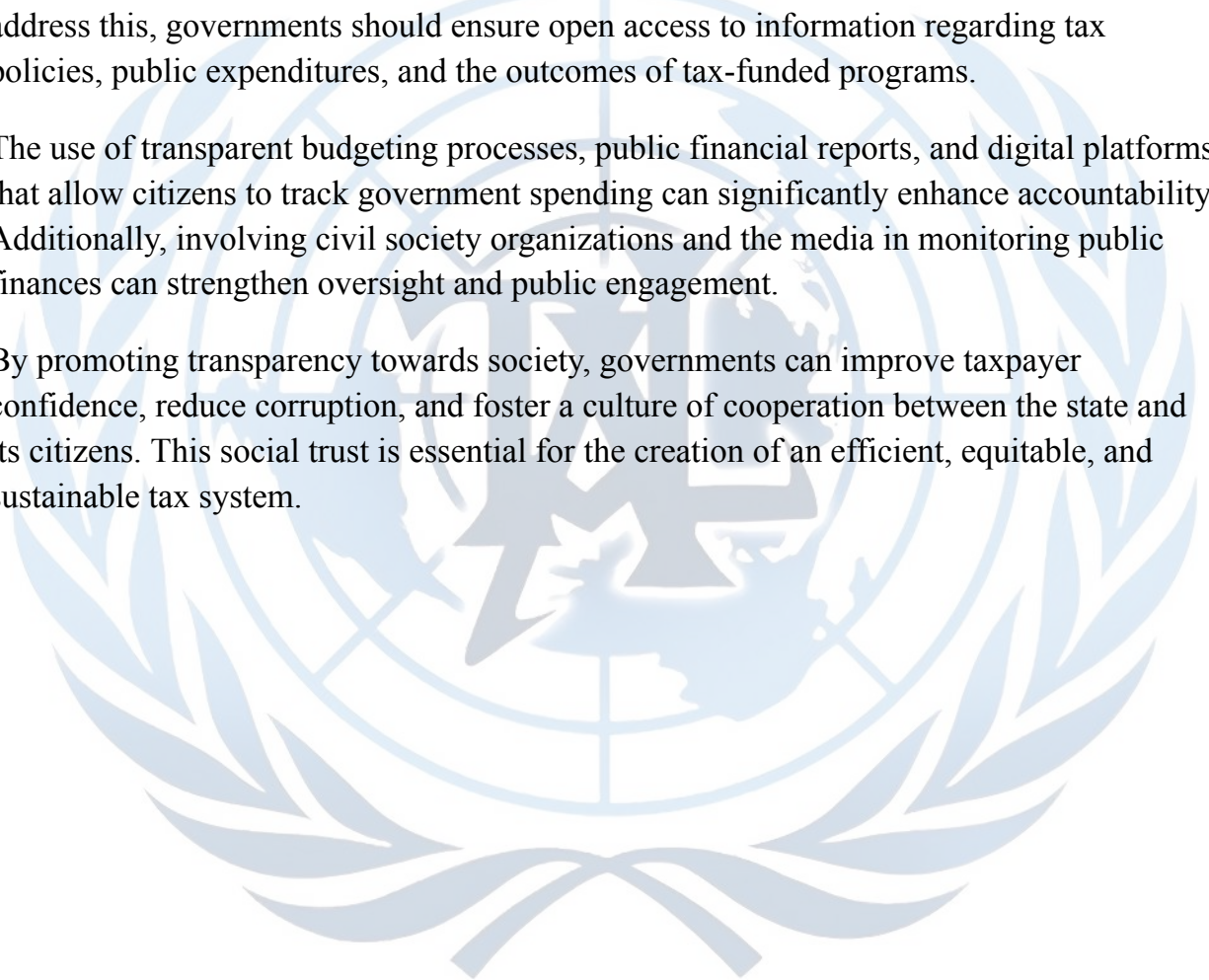
iii. Transparency Towards Society

Transparency towards society is a key element in building public trust in tax systems and encouraging voluntary tax compliance. When governments clearly communicate how taxes are collected, managed, and allocated, citizens are more likely to perceive the tax system as fair and legitimate.

A lack of transparency can lead to mistrust, misinformation, and resistance to taxation, which may ultimately increase tax evasion and participation in the informal economy. To address this, governments should ensure open access to information regarding tax policies, public expenditures, and the outcomes of tax-funded programs.

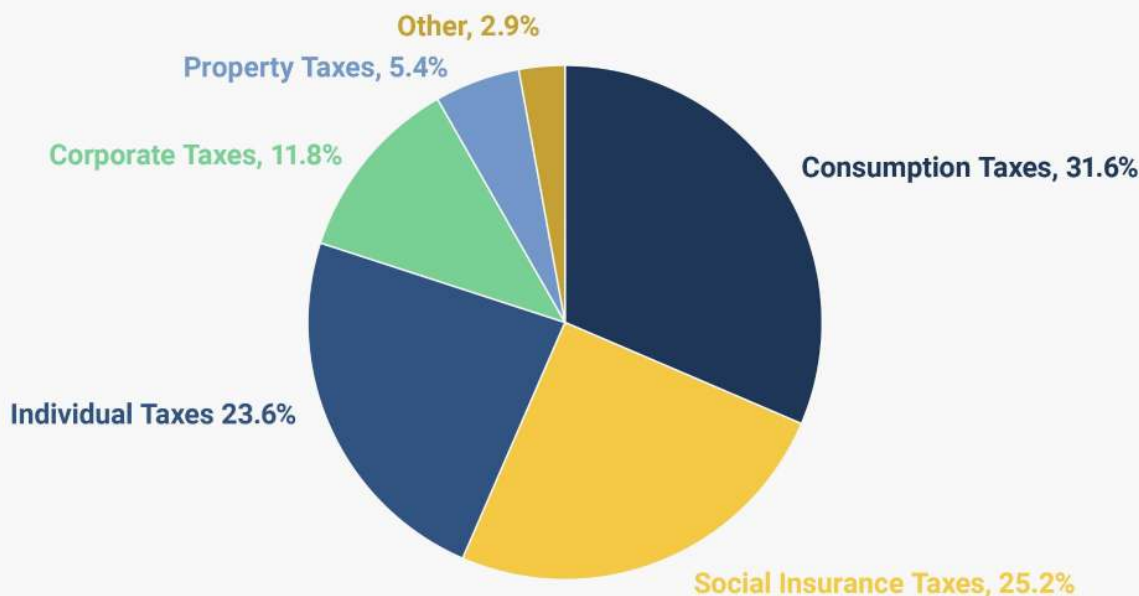
The use of transparent budgeting processes, public financial reports, and digital platforms that allow citizens to track government spending can significantly enhance accountability. Additionally, involving civil society organizations and the media in monitoring public finances can strengthen oversight and public engagement.

By promoting transparency towards society, governments can improve taxpayer confidence, reduce corruption, and foster a culture of cooperation between the state and its citizens. This social trust is essential for the creation of an efficient, equitable, and sustainable tax system.



Consumption Taxes Are the Most Important Tax Revenue Source for OECD Countries

OECD Average Sources of Tax Revenue, 2022



Source: OECD, "Revenue Statistics - OECD Countries Comparative Tables"

6. Measures in High-Risk Sectors

Construction and Real Estate: The construction and real estate sectors are widely recognised as areas where the risk of tax evasion is particularly high. Large transaction volumes, complex subcontracting chains and the frequent use of undeclared labour make these sectors especially vulnerable. In this context, tackling tax evasion cannot rely solely on more frequent inspections, but requires a broader strategy built on transparency and digitalisation.

As a practical starting point, it is recommended to ensure that sales and property registration processes are based on real market values and that land registry data are effectively integrated with municipal and tax authority records. The expanded use of digital instruments, including e-invoicing and electronic accounting systems, helps tax administrations detect income concealment and fraudulent documentation at an early stage. In addition, assigning partial tax and social security responsibility to main

contractors for the compliance of their subcontractors is viewed as an effective way to reduce informality within the sector.

Beyond technical measures, cooperation between institutions plays a crucial role. Stronger coordination between tax and social security inspections, together with risk-based and targeted audit strategies, is essential for improving enforcement outcomes. Enhanced information sharing also helps disrupt the links between tax evasion and money laundering, thereby strengthening the overall integrity of the system.

Ultimately, lasting progress in addressing tax evasion in the construction and real estate sectors depends on a balanced mix of enforcement and incentives. Proportionate and dissuasive sanctions, together with mechanisms that encourage voluntary compliance, are regarded as complementary tools that reinforce transparency, digitalisation and institutional cooperation.

Tourism: The tourism sector has several structural characteristics that make it particularly vulnerable to tax evasion. High levels of cash transactions, seasonal fluctuations in activity and the widespread use of informal labour all contribute to this risk. In this context, reducing tax evasion in tourism requires targeted and well-coordinated measures. Rather than relying solely on direct enforcement, a common framework is needed to shape and guide the policies adopted by member states.

One of the most important priorities is the expansion of digitalisation across tourism-related activities. The wider use of e-invoicing, electronic payment systems and digital registration tools is encouraged in order to reduce reliance on cash. By promoting digital payments, it becomes more difficult to conceal revenues, while data obtained from online booking and reservation platforms can be shared with tax authorities to help identify undeclared income.

Another key area of focus concerns short-term accommodation services and the platform-based economy. The inclusion of online rental and tourism platforms within tax transparency rules is supported, advocating mandatory reporting of income generated through these channels and the automatic exchange of relevant information. These measures are intended to limit the growth of informal activities within the tourism sector.

Employment practices also play a significant role in this approach. A considerable share of tax losses in tourism is linked to undeclared and seasonal work. To address this issue,

ECOFIN encourages closer coordination between tax administrations and social security institutions, as well as the use of risk-based inspections that target areas where informality is most likely to occur.

In terms of enforcement, targeted audits are generally more effective than broad and generalised controls. Audits guided by specific risk indicators—such as mismatches between declared income and business capacity, unusually low tax declarations, or sudden increases in activity during peak seasons—tend to be more efficient and deliver stronger results.

Alongside enforcement measures, importance is placed on fostering awareness and voluntary compliance. Sector-specific guidelines, simplified tax procedures and compliance-friendly applications are promoted as tools to encourage tourism businesses to enter and remain within the formal economy.

Cash-Intensive Services: Cash-intensive service sectors such as restaurants, cafés, barbers, small retailers and personal service providers are widely regarded as particularly vulnerable to tax evasion. Their heavy reliance on cash transactions and the limited traceability of daily operations create structural challenges for effective taxation. In this context, addressing tax evasion in these sectors requires tailored and sector-specific policy measures. Rather than acting as a direct implementing authority, a common policy framework is needed to guide the actions of member states.

Reducing reliance on cash and increasing the use of digital payment methods is seen as an important part of this strategy. Encouraging card payments and other electronic systems helps ensure that transactions are properly recorded, making income concealment and underreporting more difficult. Accordingly, improving e-payment infrastructure and expanding access to digital payment options are considered key measures for strengthening tax compliance.

Another key aspect of this approach involves reinforcing digital record-keeping and documentation systems. The broader implementation of e-invoicing, e-archive solutions and electronic cash registers allows tax authorities to monitor daily turnover more effectively. As a result, discrepancies between declared income and actual business activity can be identified more quickly and accurately.

Enforcement efforts increasingly rely on focused, risk-oriented audits rather than wide-ranging inspections. Warning signs such as a clear gap between turnover and operational capacity, income declarations that fall well below sector averages, or poor reporting during high-activity periods are used to direct audit work. This method helps ensure that limited audit resources are applied where they are most likely to be effective.

Effective taxation depends not only on control mechanisms but also on fostering tax ethics and voluntary compliance. Simplified tax procedures, clear and accessible guidance, and compliance-friendly practices are particularly important for small-scale service providers. A taxation system that is perceived as fair and understandable is more likely to discourage informality and encourage long-term compliance.

Self-Employment: Self-employed activities present specific challenges when it comes to preventing tax evasion, largely because income is based on individual declarations and service payments are often difficult to track. In this context, the need for targeted measures built around transparency is highlighted. Rather than acting as a direct enforcement body, ECOFIN focuses on shaping common policy orientations and sharing good practices among member states.

One of the main priorities is expanding the use of digital documentation and record-keeping systems. Encouraging self-employed individuals to adopt e-invoicing and e-archive tools helps ensure that service-related income is properly recorded, making undeclared earnings easier to identify. At the same time, digital records allow tax administrations to analyse income patterns in a more systematic and efficient manner.

Limiting the role of cash transactions is another important strand of the approach. Promoting traceable payment methods, such as card and digital payments, increases compliance by reducing opportunities to collect service fees without proper registration. This is particularly relevant in self-employed activities, where cash-based and undocumented transactions are relatively common.

Oversight is strengthened when audits are guided by risk rather than applied uniformly. Signs such as very low declared income, clear gaps between reported earnings and actual living standards, or sharp departures from sector norms help indicate where closer scrutiny is needed. Using these signals allows audit resources to be directed in a more balanced and effective manner.

Effective tax compliance is shaped not only by enforcement measures but also by the promotion of tax ethics and voluntary participation. Simplified declaration procedures, clear and practical guidance, and advisory support for self-employed professionals play an important role in improving compliance levels. A tax system that is regarded as fair and easy to understand is more likely to reduce informality and encourage long-term engagement with the formal economy.

E-Commerce: The rapid expansion of the digital economy and the cross-border nature of online transactions have made tax evasion in e-commerce a growing concern. In response, the need for coordinated, EU-level policies that make effective use of digital tools is underlined. Rather than acting as a direct enforcement authority, the focus is on shaping common frameworks that guide the practices of member states.

A central element of this approach is the integration of digital platforms into the tax system. ECOFIN encourages the reporting of revenues generated through online marketplaces and digital intermediaries, as well as the sharing of relevant platform data with tax authorities. Increasing the transparency of seller information helps tax administrations identify unregistered or underreported e-commerce activities more easily.

Ensuring stronger compliance with value added tax is another major priority. Measures such as the EU VAT e-commerce package, the One Stop Shop (OSS) system and the removal of VAT exemptions for low-value consignments are designed to reduce VAT losses in cross-border online sales. These arrangements simplify tax obligations for businesses while improving overall compliance levels.

Technological solutions also play a key role in the strategy. Automated information exchange and advanced data analytics allow tax authorities to receive digital sales data from payment service providers and online platforms. By comparing declared income with actual transaction data, risk-based analyses can be used to identify sellers with a higher likelihood of non-compliance.

The role of third-country sellers and multinational enterprises is also taken into account. In this area, the OECD-led BEPS initiative is supported in order to prevent profit shifting and tax base erosion in the digital economy. Strengthening international cooperation on transfer pricing and fair taxation is seen as essential for addressing the global dimension of e-commerce.

In addition to regulatory and enforcement measures, the promotion of voluntary compliance is emphasized. Simplified registration and declaration procedures, along with practical guidance and information campaigns targeting small businesses and individual online sellers, aim to encourage participation in the tax system and reduce informal activity in e-commerce.

Logistics: The logistics and transportation sector presents particular challenges in the fight against tax evasion. Cross-border operations, complex supply chains and a high volume of transactions make this sector especially vulnerable to non-compliance. In this context, effective prevention requires coordinated action, digital monitoring tools and risk-based audit strategies. Rather than acting as an enforcement authority, the focus is on developing common policy frameworks and guidance mechanisms for member states. A key priority in this area is the integration of data systems and the broader use of digital tools. Digitising transport documents, together with the wider adoption of e-invoicing and e-archive systems, greatly improves the traceability of income generated through transportation activities. In parallel, stronger data sharing between customs, tax and transport authorities makes it easier to identify inconsistencies between declared operations and actual transport flows.

Attention is also given to improving compliance in the area of VAT, particularly in cross-border transactions. By clarifying VAT rules applicable to international transport services, the aim is to reduce the risks associated with fake invoicing and VAT fraud within complex supply chains. In this regard, strengthened administrative cooperation and information exchange among member states are seen as essential.

From an enforcement perspective, the use of targeted, risk-based audits is promoted. Indicators such as unusually low income declarations, mismatches between fuel consumption and the volume of activity, or frequent changes in company structures are used to guide audit efforts. This approach allows audit resources to be deployed in a more focused and efficient manner.

Finally, attention is drawn to the role of subcontracting chains within the logistics sector. The widespread use of layered contractual arrangements can create opportunities for tax evasion and the use of fraudulent documentation. To address this risk, holding principal companies partially responsible for the tax compliance of their subcontractors is supported. This measure is intended to reduce informality and strengthen accountability throughout the supply chain.

High-Value Goods and Luxury Consumption:High-value goods and luxury consumption represent a particularly sensitive area in the fight against tax evasion. High profit margins, difficulties in determining real market values and the close connection with money laundering risks increase the vulnerability of this sector. In this context, effective prevention depends on transparency, traceability and strong international cooperation. Rather than acting as a direct enforcement authority, ECOFIN establishes a common EU-level framework that guides national policies.

A key priority within this framework is improving the traceability of transactions. The wider use of digital invoicing and electronic record-keeping in sectors such as jewellery, luxury watches, art trading and high-value vehicle sales makes it harder to understate sales prices or carry out undocumented transactions. Limiting the use of cash, particularly in high-value purchases, is also seen as an essential step in reducing opacity.

Special emphasis is placed on taxation based on real economic value. The use of discrepancies between declared sales prices and actual market values is encouraged as a risk indicator, especially in markets where valuation is complex. In this regard, expert valuation mechanisms in art and antique markets are supported as a means of protecting the tax base from erosion.

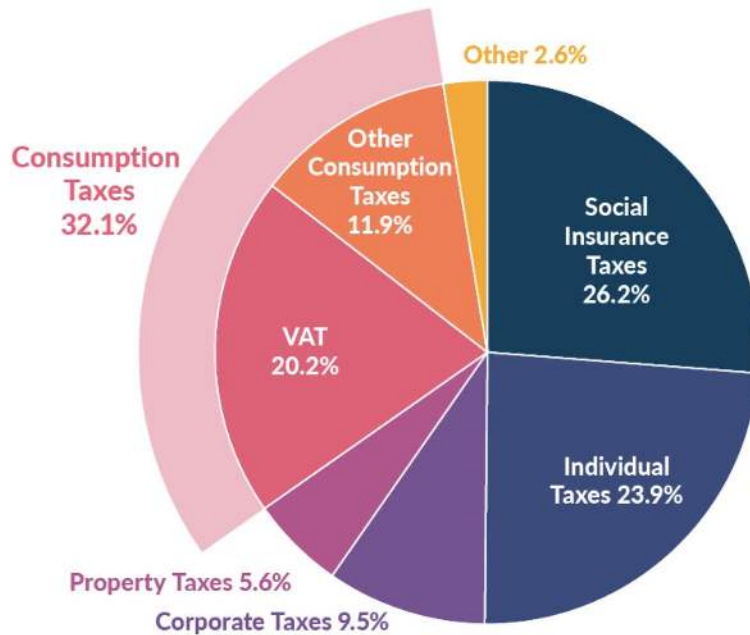
Another critical dimension is the close connection between tax evasion and money laundering. Identifying beneficial owners, strengthening suspicious transaction reporting and improving cooperation between tax administrations and financial intelligence units are essential steps in addressing this issue. These measures aim to prevent luxury goods markets from being used as channels for illicit financial flows.

From a cross-border perspective, stronger VAT and customs controls are supported, alongside enhanced administrative cooperation among member states. Joint inspections and data-sharing mechanisms are encouraged to address risks such as fake invoicing, undervaluation and smuggling in the import and export of luxury goods.

In addition to regulatory measures, attention is drawn to the balance between enforcement and incentives. Applying penalties that are firm yet proportionate, while at the same time recognising and encouraging compliant behaviour, is considered an effective way to improve compliance. By increasing the practical costs of tax evasion and supporting lawful practices, this approach seeks to make non-compliance less attractive in markets related to luxury goods and high-value consumption.

Consumption Taxes are the Largest Share of Average OECD Revenue

OECD Average Sources of Tax Revenue, 2018



Note: Revenue data for Australia, Greece, Japan, and Mexico is from 2017 (2018 data not available).
Source: OECD, "Global Revenue Statistics Database."

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7. International Corporations

a) Global Tax Practices

In today's highly globalised economy, tax evasion can no longer be addressed solely through national measures. The scale of cross-border capital flows and the complex structures of multinational corporations make international coordination unavoidable. Within this framework, ECOFIN (the Council of Ministers of Economy and Finance of the European Union) plays an active role in strengthening global tax governance aimed at combating tax evasion.

One of the cornerstones of the approach is strong support for the OECD-led Base Erosion and Profit Shifting (BEPS) initiative. The standards developed under the BEPS framework are designed to prevent multinational companies from undermining national tax bases by shifting profits to low-tax jurisdictions. Instruments such as Country-by-Country Reporting, stricter transfer pricing rules and measures to curb harmful tax practices form the backbone of this system.

Alongside these efforts, the global implementation of Automatic Exchange of Information (AEOI) is promoted. The routine and systematic sharing of financial account information between countries significantly reduces the ability of both individuals and companies to conceal income abroad, making AEOI a central tool in the detection of cross-border tax evasion.

Transparency is another key principle guiding actions at the international level. International standards for identifying beneficial ownership are intended to restrict tax evasion carried out through shell companies and opaque ownership arrangements. In this respect, the close connection between effective tax policies and robust anti-money laundering frameworks is highlighted.

Addressing harmful tax competition and the use of tax havens also remains a priority. Through the EU list of non-cooperative jurisdictions for tax purposes, a unified stance is adopted against practices that facilitate global tax evasion. These listings serve as an incentive for third countries to align with international standards on transparency and fair taxation.

Furthermore, initiatives such as the global minimum corporate tax are supported in order to curb the ongoing “race to the bottom” in corporate taxation. By setting a minimum level of taxation, this approach seeks to safeguard national tax bases while contributing to the creation of a fairer global tax system.

Effective action against tax evasion at the global level requires strong international cooperation, regular information sharing, robust transparency standards, effective oversight of multinational enterprises, and constraints on harmful tax practices. Taken together, these measures support the financial sustainability of EU economies and contribute to global tax fairness.

b) In Audit Multinational Companies

Multinational companies operate through complex corporate structures that extend beyond national borders, making tax evasion a challenge that cannot be addressed by individual states acting alone. In this context, the need for coordinated action is underlined. transparency-based and binding rules at both the EU and global levels. Rather than acting as a direct enforcement authority, ECOFIN primarily functions as a platform that aligns member states’ policies and establishes common regulatory standards.

The EU has incorporated the OECD's Base Erosion and Profit Shifting (BEPS) standards into its legal framework to address profit shifting by multinational companies. Measures such as tighter transfer pricing rules and mandatory Country-by-Country Reporting are designed to make it harder for profits to be moved to low-tax jurisdictions. As a result, tax authorities are better able to see where economic activity actually takes place and how much tax is paid in each country.

Beyond transparency measures, structural incentives that encourage aggressive tax planning are also addressed. One of the key instruments in this regard is the global minimum corporate tax. By ensuring that multinational companies pay at least a minimum level of tax in the countries where they operate, this initiative reduces the attractiveness of profit shifting and limits harmful competition between states based on extremely low tax rates.

The fight against harmful tax practices and tax havens constitutes another important dimension of this approach. Through the EU list of non-cooperative jurisdictions for tax purposes, a unified position is adopted against countries that fail to meet international standards of transparency and fair taxation. This mechanism is designed to discourage the use of tax havens as conduits for shifting profits away from where real economic activity takes place.

Administrative cooperation also plays a crucial role in strengthening enforcement. The automatic exchange of information between tax authorities, particularly regarding financial data, corporate structures and cross-border transactions, significantly reduces the ability of multinational companies to conceal income. Enhanced data sharing improves risk assessment and increases the effectiveness of tax audits across borders.

Overall, transparency and accountability are placed at the heart of the strategy. Measures such as the identification of beneficial owners, comprehensive reporting obligations and the use of effective and dissuasive sanctions are seen as complementary tools in tackling tax evasion by multinational enterprises. Together, these policies aim to promote fair taxation while safeguarding the integrity of the EU's tax systems.

A shell corporation is a company or corporation with no significant assets or operations, often formed to obtain financing before beginning business. Shell companies were primarily vehicles for lawfully hiding the identity of their beneficial owners, and this is still their defining feature due to the loopholes in global corporate transparency initiatives. It may hold passive investments or be the registered owner of assets, such as intellectual property or ships. Shell companies may be registered to the address of a

company that provides a service setting up shell companies, and which may act as the agent for receipt of legal correspondence (such as an accountant or lawyer). The company may serve as a vehicle for business transactions without itself having any significant assets or operations.

Shell companies are used for lawful purposes such as holding assets or tax avoidance. However, they can also be used for illegal purposes such as tax evasion, hiding stolen assets, or money laundering. Anonymity, in the context of shell companies, relates to anonymity of beneficial owners of the company. Anonymity may be sought to shield personal assets from others, such as a spouse in the event of divorce, from creditors, or from government authorities.

Shell companies' legitimate business purposes are, for example, acting as trustee for a trust, and not engaging in any other activity on their own account. This structure creates limited liability for the trustee. A corporate shell can also be formed around a partnership to create limited liability for the partners, and other business ventures, or to immunize one part of a business from the risks of another part. Shell companies can be used to transfer assets from one company into a new one while leaving the liabilities in the former company. Shell companies are also used for privacy and security reasons by wealthy individuals and celebrities. Accordingly, shell companies may be used to generate both pecuniary and non-pecuniary private benefits by their beneficial owners.

Some shell companies may have previously had operations that shrank due to unfavorable market conditions or company mismanagement. A shell corporation may also arise when a company's operations have been wound up, for example following a takeover, but the shell of the original company continues to exist. The term shell corporation does not describe the purpose of a corporate entity; in general it is more informative to classify an entity according to its role in a particular corporate structure; e.g. holding company, general partner, or limited partner.

Shell companies are a main component of the underground economy, especially those based in tax havens. They may also be known as international business companies, personal investment companies, front companies, or mailbox companies. While these terms are generally used interchangeably in practice, their meanings are not the same and each term is generated to refer to a different theme of illegality. Shell companies can also be used for tax avoidance. A classic tax avoidance operation may utilize favorable transfer pricing among multiple corporate entities to lower tax liability in a certain country; e.g. Double Irish arrangement.

A special purpose entity, used often in the context of a larger corporate structure, may be formed to achieve a specific goal, such as to create anonymity.

According to a 2013 experimental study, where the researchers requested anonymous incorporation in violation of international law, one in four corporate service providers offered to provide services in violation of international law.

The use of a shell company in a tax haven makes it possible to move profits to that shell company, in a strategy of tax evasion. A United States company buying products from overseas would have to pay US taxes on the profits, but to avoid this, it may buy the products through a non-resident shell company based in a tax haven, where it is described as an offshore company. The shell company would purchase the products in its name, mark up the products and sell them on to the US company, thereby transferring the profit to the tax haven. (The products may never actually physically pass through that tax haven, and be shipped directly to the US company.) As the shell company is not based in the United States, its profit is not subject to US income tax, and as it is an offshore company in the tax haven jurisdiction, it is not taxed there either. Under the tax haven law, the profits are deemed not to have been made in the jurisdiction, with the sale deemed to have taken place in the United States. As US personal income tax is significantly less important than corporate income tax, US company executives would claim a salary (or fees, consulting fees, etc.) from the company's profits.

8. Challenges and Gaps

The Rapid Development of the Digital Economy: The rapid development of the digital economy creates structural and multidimensional challenges in preventing tax evasion. These challenges are not only technical; they also have legal, administrative and international dimensions. The main problems can be summarized as follows:

In the digital economy, revenues are often generated without a physical presence. Companies or individuals can provide services to consumers in a country without having an office or personnel in that country. This situation weakens the concepts of "workplace" and "residency" based on the traditional understanding of taxation and creates uncertainty about which country has the authority to tax. As a result, incomes can be easily shifted to low-tax countries.

Digital platforms and e-commerce channels make it difficult to control because transactions are high-volume and fragmented. Numerous small consistent transactions make it difficult for tax administrations to match the declared income with actual activities. Especially in the platform economy, individual sellers and content producers may not declare their income incompletely or at all.

Another important challenge is data access and transparency issues. Digital platforms, payment providers and technology companies usually operate in different countries and the data is subject to different legal regimes. The inability of tax administrations to access these data in a timely and comprehensive manner makes it difficult to detect cross-border tax evasion.

The rapidly changing structure of the digital economy also causes the legislation to lag behind. Tax laws often fail to keep up with the pace of digital business models, which leads to the abuse of tax gaps and exceptions. As new business models emerge, updating the regulatory framework may be delayed.

Finally, while the digital economy increases the need for international cooperation, it can be difficult to achieve this cooperation in practice. Incompatibility between tax policies, data protection rules and technical capacities of different countries limits a common and effective struggle.

Institutional and Administrative Capacity Issues: Institutional capacity shortage primarily reduces audit efficiency. The lack of a sufficient number of qualified and specialized auditors in tax administrations makes it difficult to detect complex accounting structures, multinational company transactions and digital activities. This situation causes tax evasion cases, especially those requiring large-scale and technical knowledge, to be overlooked.

Administrative capacity problems deepen with the lack of technological infrastructure. When advanced data analytics, artificial intelligence-supported risk analysis and digital audit systems are not sufficiently used, tax administrations cannot accurately identify high-risk taxpayers. As a result, inspections can remain random or superficial.

The lack of institutional coordination also creates a significant challenge. When effective information sharing between tax administrations, customs, financial intelligence units, social security institutions and judicial bodies cannot be achieved, data on tax evasion

remains fragmented. This makes it difficult to detect and investigate smuggling in a holistic way.

Another problem is the slowness and complexity of bureaucratic processes. Long-term investigations, objections and lawsuits lead to the late application of sanctions. While this situation reduces deterrence for tax evaders, it can strengthen the "perception of impunity".

It is also associated with institutional capacity issues, lack of education and specialization. While tax legislation and economic activities change rapidly, the lack of continuous training of personnel results in insufficient recognition of new methods of smuggling and financial instruments.

Legal and Regulatory Gaps: Legal and regulatory gaps constitute one of the most critical and systemic challenges in preventing tax evasion. Deficiencies, uncertainties or incompatibility in the tax system allow taxpayers and especially actors using complex structures to take advantage of these gaps. These challenges arise as follows:

Legal gaps primarily cause the boundary between tax avoidance and tax evasion to be blurred. The lack of clear and clear definitions leads to aggressive tax planning people and companies to show their illegal actions as "legal". This situation narrows the intervention area of the administration.

The inadequacy of the regulatory framework makes it difficult to tax new economic models. If legislation is not up to date in areas such as the digital economy, crypto assets, platform economy and cross-border services, revenues may easily be excluded. The fact that legislation lags behind economic developments creates a favorable environment for tax evasion.

Tax exemptions, exemptions and incentives also become open to abuse when they are not regulated clearly enough. Non-purpose tax advantages lead to the erosion of the tax base and the damage of the fair taxation principle. When inspection mechanisms are insufficient in these areas, the risk of smuggling increases.

The complex and frequent change of legal regulations creates application problems in terms of both taxpayers and management. While complex legislation increases false statements, it also makes it difficult to detect intentional smuggling. At the same time, it

reduces the effect of sanctions by causing differences in interpretation in judicial processes.

International level regulatory non-compliances are also a significant challenge. Tax legislation differences between countries allow the abuse of double taxation avoidance agreements and the shift of income to low-tax countries. This situation creates a serious risk area, especially for multinational companies.

Lastly, insufficient or inconsistently applied sanctions weaken deterrence. When penalties are not enforced due to legal loopholes or lengthy judicial processes, the perceived risk of tax evasion is reduced.

Tax Morale and Public Perception: Tax ethics and social perception constitute one of the most important behavioral and cultural challenges in preventing tax evasion. The tax system is based not only on legal and administrative regulations, but also on the perceptions and attitudes of individuals towards the state and taxation. Problems in this area create difficulties as follows:

In societies where tax ethics is poor, tax evasion is often seen as a “reasonable” or “mandatory” behavior, not an ethical issue. This normalization reduces the voluntary compliance of individuals with the tax and spreads trafficking for administrations with limited oversight capacity. Since it is not possible for the state to constantly supervise each taxpayer, the decrease in voluntary compliance creates a serious structural problem.

Social perception is directly related to the sense of tax justice. As the perception that the tax burden is not distributed fairly and that some groups or large companies can avoid taxes becomes stronger, individuals ask "why should I pay if others don't pay?" It can be directed to the thought. This situation increases tax evasion in a chain form.

Distrust of the state and public institutions is also a major source of difficulty. The idea that taxes are not used effectively, transparently and in a way that provides social benefits reduces the desire to pay taxes. This perception becomes more pronounced, especially in environments where transparency regarding public spending is weak.

The perception of impunity further erodes tax ethics. The idea that tax evasion is not sufficiently detected or sanctions are not applied leads to the perception of smuggling as a "low risk" behavior. This weakens the deterrence.

Political and Economic Pressures: Political and economic pressures create a structural and often invisible but very effective area of difficulty in preventing tax evasion. These pressures can weaken the struggle by affecting the entire process from the design to the implementation of tax policies. Its main effects can be explained as follows:

Political pressures can make it difficult to implement tax controls equally and impartially. Some sectors, large companies, or effective interest groups may fall out of control or benefit from more flexible practices due to their economic weight. This situation undermines the principle of equal application of the law to everyone and leads to a loss of confidence in the fight against tax evasion.

Short-term political concerns are also an important obstacle. During election periods or times of economic recession, governments can avoid tightening tax controls. Practices such as tax amnesty, postponement or loosening of audits can create an expectation that encourages smuggling in the long run, although they provide temporary relief.

Economic pressures arise especially through employment and investment concerns. The concern that strict supervision of some sectors will lead to job loss or shifting investments to other countries may weaken the determination to combat tax evasion. This approach creates a false dilemma that confronts tax compliance with economic growth.

International competition is also an important source of economic pressures. Countries may tend to offer lower tax rates or flexible practices to attract capital. This situation fuels harmful tax competition, opening up room for tax evasion or aggressive tax planning of multinational companies.

Political interventions can also weaken the institutional independence of tax administrations. Determining audit priorities according to political preferences, not according to technical risk analysis, reduces effectiveness in the fight against tax evasion and erodes the professional capacity of the administration.

Lack of Regulatory Power: The lack of supervisory power is one of the most direct and critical challenges in preventing tax evasion. When the control mechanism in the fight against tax evasion is weak, smuggling becomes a low-risk and high-yield behavior. The challenges created by this situation can be explained as follows:

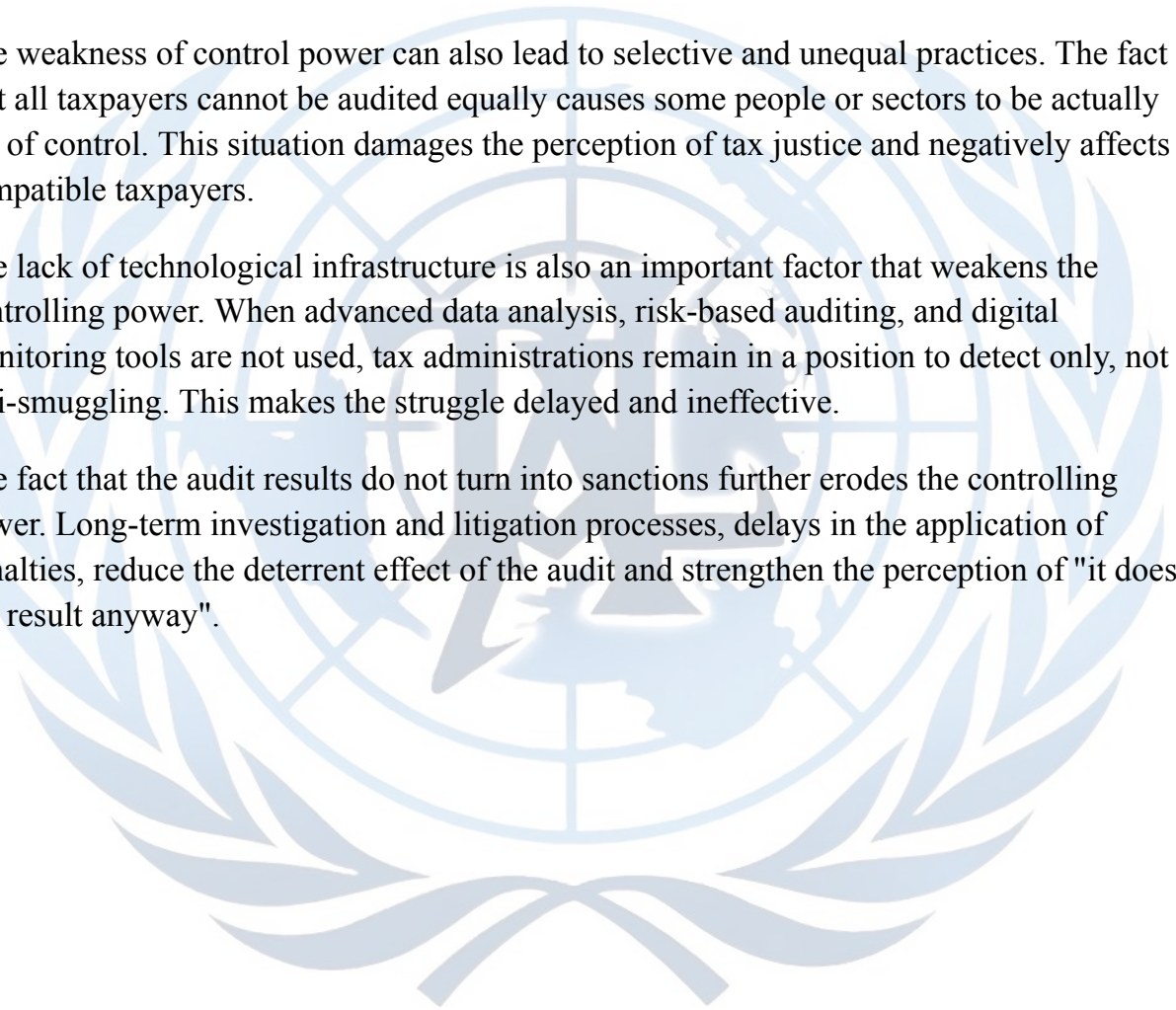
The lack of controlling power primarily reduces the likelihood of getting caught. Infrequent, superficial or random tax audits cause taxpayers not to perceive a serious risk when smuggling. This directly weakens the deterrence.

Lack of personnel and resources limits audit capacity. The lack of a sufficient number and specialized auditors makes it difficult to effectively examine complex accounting transactions, digital revenues and cross-border activities. As a result, large and sophisticated tax evasion cases may not be detected.

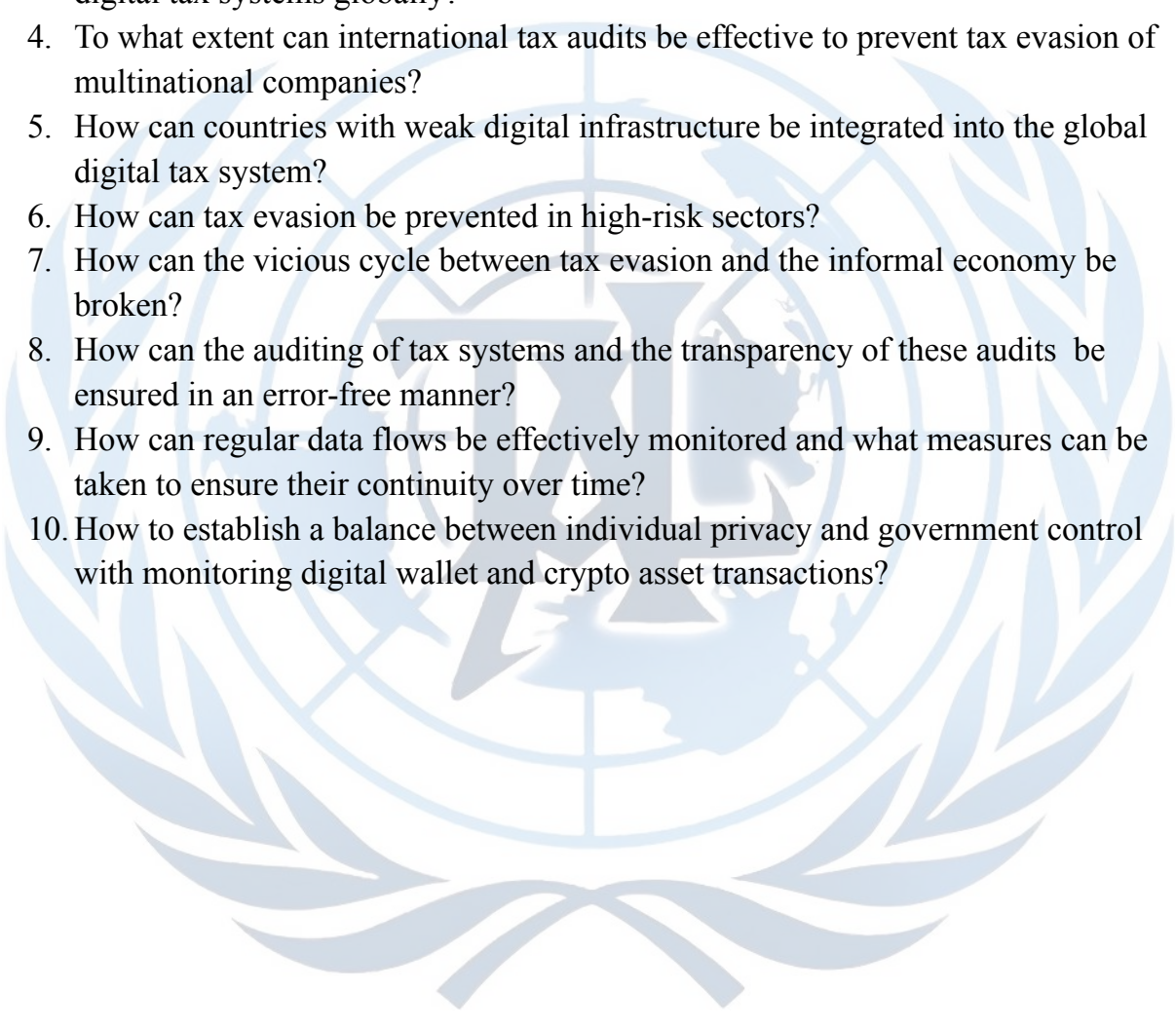
The weakness of control power can also lead to selective and unequal practices. The fact that all taxpayers cannot be audited equally causes some people or sectors to be actually out of control. This situation damages the perception of tax justice and negatively affects compatible taxpayers.

The lack of technological infrastructure is also an important factor that weakens the controlling power. When advanced data analysis, risk-based auditing, and digital monitoring tools are not used, tax administrations remain in a position to detect only, not anti-smuggling. This makes the struggle delayed and ineffective.

The fact that the audit results do not turn into sanctions further erodes the controlling power. Long-term investigation and litigation processes, delays in the application of penalties, reduce the deterrent effect of the audit and strengthen the perception of "it does not result anyway".



9. Questions a Resolution Should Address

1. What common standards and mechanisms should be established to increase tax transparency among member states?
 2. What role should education systems and governments play to increase tax awareness in society?
 3. How to ensure technological cooperation and capacity development to harmonise digital tax systems globally?
 4. To what extent can international tax audits be effective to prevent tax evasion of multinational companies?
 5. How can countries with weak digital infrastructure be integrated into the global digital tax system?
 6. How can tax evasion be prevented in high-risk sectors?
 7. How can the vicious cycle between tax evasion and the informal economy be broken?
 8. How can the auditing of tax systems and the transparency of these audits be ensured in an error-free manner?
 9. How can regular data flows be effectively monitored and what measures can be taken to ensure their continuity over time?
 10. How to establish a balance between individual privacy and government control with monitoring digital wallet and crypto asset transactions?
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