

# Factsheet

Support in creation of the data-driven decision engine and risk management platform on internationally exchanged information

**Technical Support Instrument**

*Supporting reforms in 27 Member States*



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## Support in creation of the data-driven decision engine and risk management platform on internationally exchanged information



### Project summary

The project provided recommendations to the Belgian FPS Finance - Large Enterprises on building a data-driven decision engine with the purpose to improve the efficient use of internationally exchanged information and to improve the selection of companies to be subject to tax audits. Additionally, guidance was provided to the local tax inspectors on the various sources of internationally exchanged information as well as how this valuable information can be used during tax audits.



### Context

The surge in the amount of internationally exchanged information has become increasingly important for countries as governments seek to combat tax avoidance and evasion practices and improve compliance with tax laws.

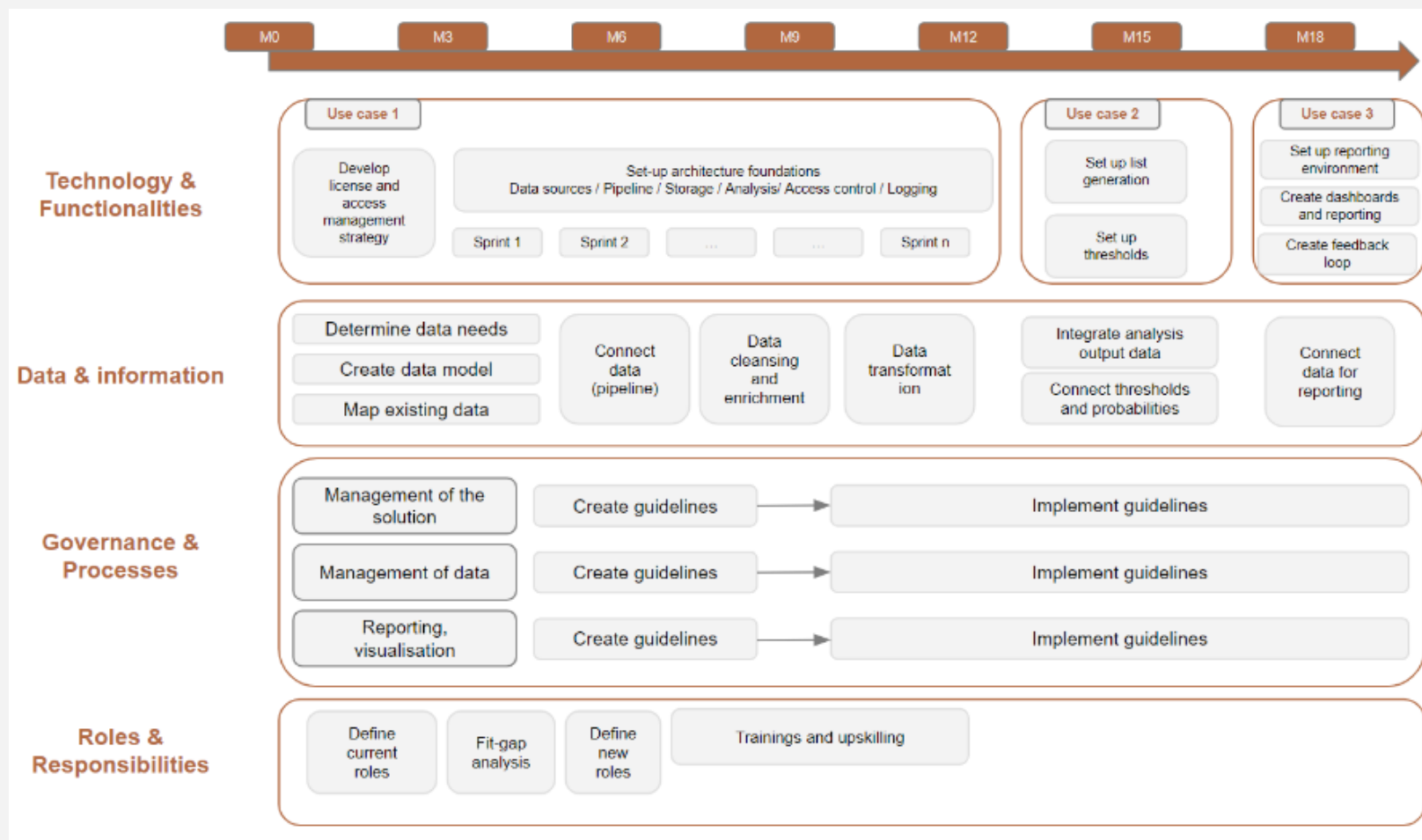
In this context, the Belgian FPS Finance for Large Enterprises has requested assistance from the European Commission, represented by the DG Reform, to receive external support to further strengthen the use of internationally exchanged information by improving the solutions developed internally within the Belgian FPS Finance - Large Enterprises.



## Support delivered

The European Commission, represented by the DG REFORM, provided support for carrying out the project for the Belgian FPS Finance - Large Enterprises.

The first part of the project was related to building a data-driven decision engine. An analysis of the current “as-is” situation was performed in order to design - based on the different business objectives identified - the “to-be” situation. Through a corresponding gap analysis, a custom transition plan was brought forward.



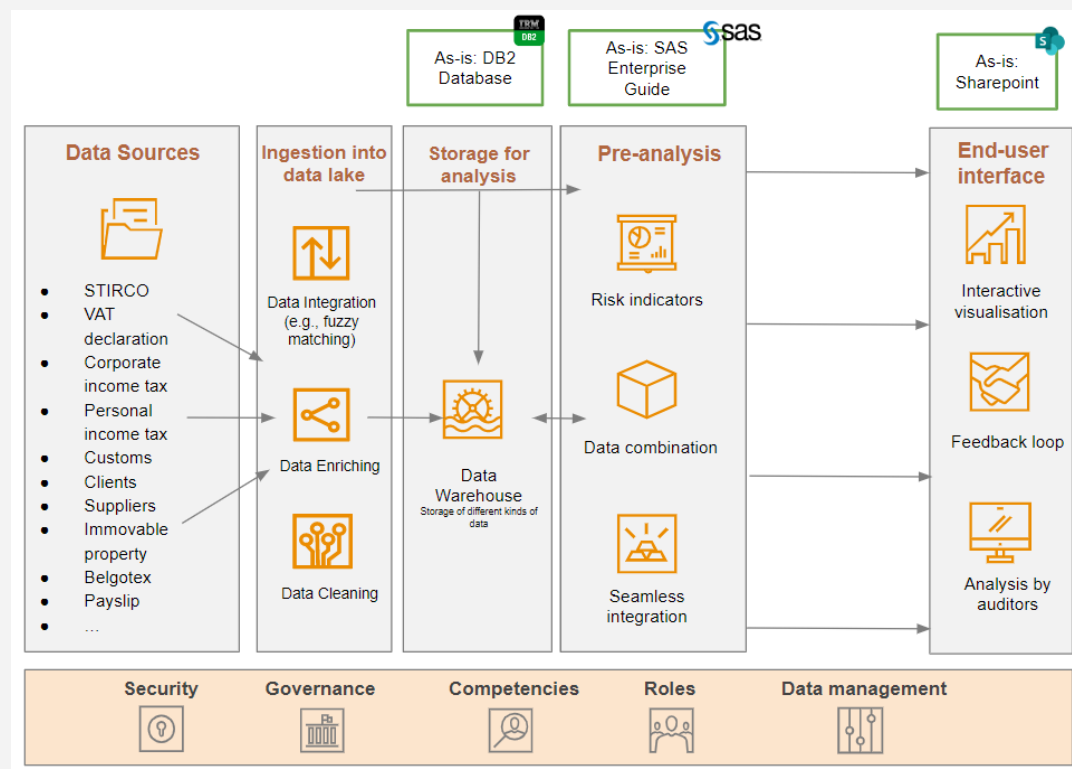


## Support delivered

In addition to the identification of the technical specifications needed to create a data-driven decision engine, the availability of internationally exchanged data points (on the basis of the implementation of European Directives for Cooperative Administration) and the interdependencies between these data points and other data points potentially available via other (national) sources, were identified and mapped. By connecting these data points and leveraging on the interdependencies, enhanced risk criteria were put forward to be integrated in the data-driven decision engine, with the ultimate goal to increase fair taxation by improving the selection process of Belgian tax payers to be subject to a tax audit.

In the final stage, a workshop was organized for local tax inspectors to train them on the ‘power’ of available internationally exchanged information and to provide practical examples on connecting this data helping them leverage this information when conducting tax audits.

Delivery of the project started in October 2021 and finished in April 2023.





## Objectives

1

### Building a data driven engine

Optimisation and further development of existing data driven engine



2

### Efficient risk assessment

Selecting the proper companies who are more likely to be in breach with domestic tax legislation



3

### Training

Providing the local tax inspectors with guidance on internationally exchanged information and usability when conducting tax audits



4

### Tax audit

More efficient and effective tax administration should lead to improved assessment of taxes due



5

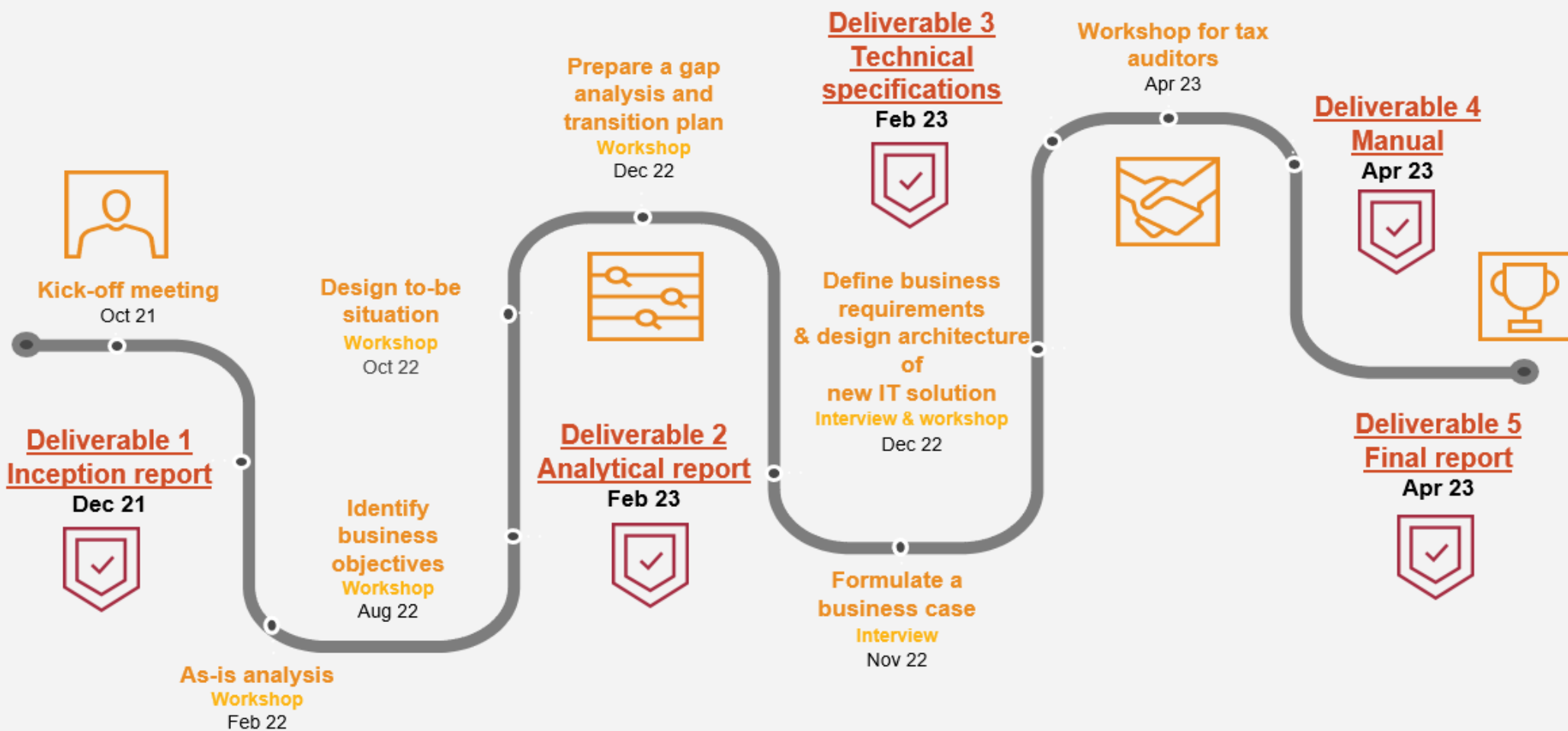
### Fair and responsible taxation

Taxpayers should be discouraged to engage in harmful tax practices





# Timeline





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