REPORT OF THE 3RD NTO TECHNICAL CONFERENCE

Navigating the digital tax landscape: e-commerce, sharing platforms, and trade in crypto assets

Panama City and online, 18-20 February 2025

1. INTRODUCTION

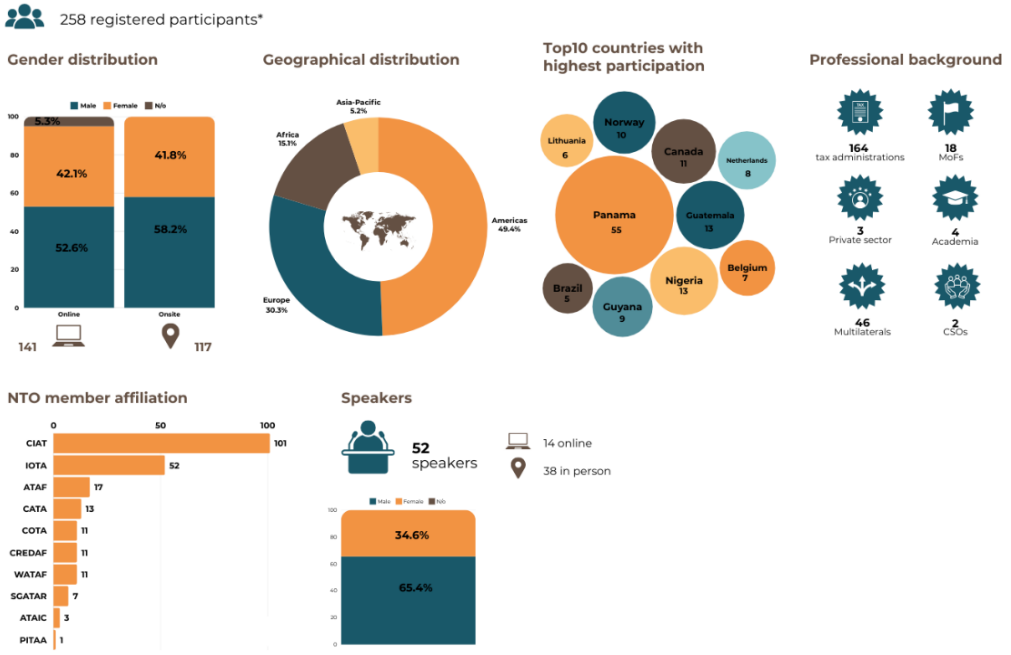
The rapid digitalisation of the global economy has transformed how income is generated, value is distributed, and economic activities are conducted, resulting in significant challenges for tax authorities. Digital platforms, blockchain, crypto assets, e-commerce, and the gig economy have redefined traditional taxation concepts like *habitual residence*, *place of supply*, and *permanent establishment*, complicating enforcement and jurisdiction.

The 3rd NTO Technical Conference offered a platform for tax administrations worldwide to discuss these challenges, exchange experiences, and explore practical approaches, sharing the floor with representatives from Ministries of Finance, experts from international financial and development organisations, the private sector, and civil society organisations. The thematical focus was particularly on crypto assets, e-commerce, and the gig economy. NTO members decided on the topic during the 17th NTO Council meeting in March 2024.

The Conference was hosted by the Centro Interamericano de Administraciones Tributarias (CIAT), one of the ten NTO member tax organisations.

The purpose of this report is to present key discussions and figures from the 3rd NTO Technical Conference to relevant stakeholders in a concise and accessible way.

2. KEY FIGURES[1]



[1] *The figures presented in this report are based on disaggregated registration data from the NTO Secretariat's database. Attendance data from CIAT shows up to 132 participants on-site and up to 234 participants online.*

3. DAY 1: TAXATION OF TRADE AND INVESTMENT IN CRYPTO ASSETS: RESHAPING TAX ADMINISTRATION FOR IMPROVED COMPLIANCE

"Crypto assets are here to stay. They are part of the world we live in and require regulation." - Gonzalo Arias, Cooperation and International Taxation Director at CIAT.

Plenary 1: Introduction to crypto essentials: market dynamics, regulatory challenges, and tax policy considerations

The panel explored key concepts, challenges and opportunities in taxing crypto assets. The International Monetary Fund's Fiscal Affairs Department highlighted risks such as unclear definitions, classification issues, and transaction anonymity, stressing the need for adaptable tax strategies, like investing in education, upgrading IT, and enhancing data processing and analytics. Special Department of Federal Revenue of Brazil discussed challenges in regulating, taxing, and investigating crypto assets. Data collection on crypto activity and "nudge" letters improved self-reported ownership and compliance. The Spanish Tax Administration Agency presented initiatives aimed at identifying crypto owners and crypto service providers and asset holders. A 2024 case study showed 225 seizure notices leading to €300,000 in confiscated assets, with notable trends in voluntary debt settlements to retain crypto assets.

Despite progress, the discussion highlighted ongoing challenges like auditing, compliance, workforce, procedures, and techniques, stressing the need for innovation and regulation in crypto taxation.

Plenary 2: Implementing effective tax administration for crypto assets: strategies to manage technical challenges and tackling uncertainties

India's Central Board of Direct Taxes and UK's His Majesty's Revenue and Customs (HMRC) discussed key challenges in crypto taxation. India highlighted issues such as lack of legal recognition and policy gaps, and transaction anonymity; while the HMRC stressed the complexity of crypto classification and their intangible nature, impacting taxation. To mitigate these, UK has introduced a dedicated crypto section in tax declarations.

The OECD's Centre for Tax Policy and Administration emphasised the need for clear up-to-date tax rules, since "in the world of crypto, five years is an eternity" and suggested tax authorities adopt voluntary disclosure regimes to encourage compliance. While Ernst & Young London noted the need for uniform policies and manageable systems for both crypto owners and service providers.

Plenary 3: Combating the use of crypto assets for criminal activities: global perspectives, FATF standards, and best practices in enforcement

Panel 3 explored strategies to combat crypto-related crime, providing case studies and regulatory insights. The French Public Finances Directorate General outlined France's regulatory approach and the EU's Market's in Crypto-Assets (MiCA) framework, while an analyst from the Global Initiative Against Transnational Organized Crime shared findings from the Global Organized Crime Index and described the dismantling of a major fraud network through international cooperation. IVIX shared best practices in enforcement, such as crypto users' identification through social media. It emphasised specialised training for employees and the role of public-private partnerships in streamlining processes, as "once crypto goes off an exchange, recovery becomes difficult".

Day 1 of the Conference commenced with high level remarks by the head of the NTO Council, the European Union Commission, the German Federal Ministry for Economic Cooperation and Development (BMZ), CIAT and Panama Tax Authority. Followed by, the Special NTO Panel, featuring the Executive Secretaries of the NTO members present in Panama, reflected on the network's role in fostering peer learning, sharing experiences, and addressing common challenges, while catalysing joint collaborative action among tax administrations worldwide under its umbrella.

4. DAY 2: E-COMMERCE AND ONLINE SERVICES TAXATION: NAVIGATING THE CHALLENGES OF TAXING DIGITAL SUPPLIERS

"Digital platforms are now, and will remain, an essential component in the application of taxes, offering a clear opportunity for tax authorities to enhance the enforcement of tax systems" - Cristina Herrera, Director of Studies at Institute for Fiscal Studies, Spain's MoF.

Plenary 4: Gig economy and mechanisms for exchange of information between tax authorities: current state and potential of revenues

Amidst the complexities of taxing digital platforms, digital assets, and gig workers, CIAT outlined the role of tax administrations in enforcing tax rules and collecting information to enforce platform operators' reporting obligations. The Inter-American Development Bank specialist emphasised the importance of adapting VAT systems to digital consumption and shifting towards taxation based on the point of use. Portugal's Tax Authority presented its internally developed integrated information exchange system (SITI) and shared its efforts in data-driven tax enforcement and implementation of the EU Directive on Administrative Cooperation (DAC7) on reporting rules for digital platforms) to enhance information exchange. Chile's Internal Revenue Service presented its simplified VAT regime for foreign digital service providers, which has led to high compliance rates and highlights Chile's proactive approach to monitoring transactions.

Plenary 5: Maximising revenue from foreign digital platforms

This panel provided an overview of various measures implemented by countries in recent years in response to the emergence of digital platforms in the economy. The Spanish Institute for Fiscal Studies highlighted the pivotal role of these platforms in modern taxation. Key questions focus on how to ensure that both platforms and their users comply with tax obligations. In the EU, DAC7 has raised concerns about its impact on small and medium-sized enterprise (SME) costs and regulatory effectiveness.

The National Superintendence of Customs and Tax Administration presented Peru's simplified tax system, which allows foreign digital service providers to register and pay taxes without a physical presence, following Chile's model. The Colombian Tax and Customs Directorate introduced a Significant Economic Presence approach, taxing non-resident entities based on user interactions and revenue. Clear definitions are key to implementing these regulations effectively.

Plenary 6: Pillar 1 vs. Digital Service Tax (DST): status of implementation, potential revenue, and challenges

The South Centre stressed the need for solutions that are not dominated by developed countries, arguing that DSTs benefit states with large markets and generate significantly more revenue than OECD's "Amount A". Since "Amount A" was deemed ineffective without

U.S. participation, developing countries were encouraged to adopt DSTs as a sovereign tool for boosting tax collection without requiring global consensus.

The Independent Commission for the Reform of International Corporate Taxation stressed the importance of shifting negotiations to the United Nations Framework Convention on International Tax Cooperation (UNFCITC) for more democratic discussions, unlike the OECD model. The International Bureau of Fiscal Documentation warned of DST fragmentation but acknowledged its influence. While a strategic tax advisor working in the Latin America and Caribbean region emphasised integrating DSTs into VAT systems, drawing on the region's experience and track record.

Plenary 7: Collection of VAT from foreign suppliers on import of digital assets: introduction, update on implementation, and potential for revenue in selected countries

Plenary 7 discussed applying VAT to cross-border digital supplies, balancing revenue collection and innovation in developing countries. The African Tax Administration Forum (ATAF) set the scene on issues to consider in taxing cross border services, stressing the importance of communication, lead time and readiness for VAT implementation on the digital economy. A senior tax specialist from the World Bank's Economic Policy Global Department discussed key VAT challenges of the digital economy with a focus on the Latin America and the Caribbean region. The session included an overview of electronic services VAT in Kenya by the Kenyan Revenue Authority (KRA) and South Africa's journey of taxing cross border supplies by the South African Revenue Service (SARS).

5. DAY 3: TAX ADMINISTRATION AND ENFORCEMENT RELATED TO DIGITAL PROFITS AND OTHER SELECTED ISSUES

"Developing countries need to build stronger tax administrations to ensure that digital services are taxed fairly and equitably" - Chenai Mukumba, TJNA's Executive Director.

Plenary 8: Legal authority to tax foreign digital suppliers and enforcement powers: requiring documents, imposing reporting obligations, and ensuring compliance

Tax Justice Network Africa emphasised how international tax treaties favour developed countries, limiting developing countries' taxing rights despite significant economic activity. TJNA called for legal frameworks, international cooperation in the frame of the UN, and tax reforms to secure revenue and economic sovereignty. ATAF's presentation highlighted the need for technological systems to track digital transactions, boosting countries' ability to enforce digital tax measures nationally.

KRA and the Nigerian Federal Inland Revenue Service (FIRS) shared their digital taxation strategies. Nigeria introduced legislative reforms and a specialised tax office, but enforcement faces income attribution challenges. Kenya shifted from a Digital Services Tax to a Significant Economic Presence model and continues refining its strategies, including withholding tax on content creators and excise taxes on digital ads.

Plenary 9: Best practices in reporting and auditing taxpayers and their hosts for increasing revenue from trade and investment in crypto assets

The session examined crypto tax reporting and enforcement across four countries. Italy's Revenue Agency outlined its tax legislation for crypto assets, focusing on capital gains and reporting, shaped by EU and international frameworks. Austria's Customs Cybercrime Unit shared its approach to investigating and seizing crypto assets, emphasising risk assessment and specialised in-house training for tax experts, auditors, and investigators. Bulgaria's National Revenue Agency presented a case of auditing a crypto mining company suspected of tax evasion, facing challenges from bank secrecy laws and relocation abroad. Sweden's Skatteverket highlighted its regulations, enforcement challenges, international cooperation, and risks from decentralised exchanges, privacy coins, and crypto-related money laundering.

Plenary 10: Adapting human resources in tax authorities to meet the challenges of taxing crypto assets, e-commerce, and the gig economy

Human resources are a key concern as tax administrations undergo digital transformation. This panel highlighted that digitalisation requires substantial technological input and expertise. The General Directorate of Internal Taxes of the Dominican Republic discussed revising staff recruitment strategies and contracting policies to attract talent in technology-related roles. Paraguay's National Revenue Directorate addressed talent drain to the private sector and consequent staff retention through "emotional remuneration" and salary incentives tied to revenue goals. TADAT assessments revealed widespread weaknesses in human capital risk management, which is a key priority area. Modeste Mopa, Chief of the TADAT Secretariat, stated: *"The challenges posed by the digital economy can be transformed into opportunities to build a skilled workforce capable of addressing both emerging and persistent issues".*

For a detailed overview of the sessions and speakers, please see the Conference brochure.

6. CONCLUSIONS AND WAY FORWARD

Over the course of three days, tax professionals from international tax organisations, senior officials from ministries and revenue authorities, and experts from global institutions came together to discuss the evolving landscape of digital taxation. Their varied expertise offered a broad range of perspectives on the state of play of key topics to the digital economy.

The presentation of horizontal approaches from international institutions was enriched by the presentation of country-specific measures, offering a diverse range of approaches to navigating today's digital tax landscape. While speakers and panellists acknowledged the challenges posed by the digital economy, they underscored the importance of adaptation and strategic navigation to harness its opportunities effectively.

The 3rd NTO Technical Conference highlighted that embracing the digital era is essential for developing efficient, transparent, and modern revenue administrations — ensuring they remain equipped to address emerging challenges and serve the public interest. It

demonstrated the value of technical exchanges and peer learning for NTO members and their national tax administrations while highlighting NTO's role in fostering collaboration among tax administrations worldwide to enhance their efficiency for the wellbeing of citizens.

"Without cooperation, we will not move forward." – Marcio F. Verdi.

ANNEX I

Relevant links

All materials are available in English, French, and Spanish.

Official event site: 3rd NTO Technical Conference 2025 | NTO

Programme: Programme of the 3rd NTO Technical Conference | NTO

Concept note: Concept note of the 3rd NTO Technical Conference | NTO

Conference brochure: Brochure for the 3rd NTO Technical Conference | NTO

Gallery: Day 1 | Day 2 | Day 3

ANNEX II

Participant institutions

African Tax Administration Forum (ATAF)	Inland Revenue Department Saint Kitts and Nevis
Agencia Estatal de Administración Tributaria de España, AEAT (*State Agency of Tax Administration of Spain*)	Instituto de Estudios Fiscales de España (*Institute for Fiscal Studies, Spain's Ministry of Finance*)
Association of Tax Authorities of Islamic Countries (ATAIC)	Inter-American Development Bank (IBD)
Autoridade Tributária e Aduaneira de Portugal (*Tax and Customs Authority of Portugal*)	International Bureau of Fiscal Documentation (IBFD)
Board of Inland Revenue from Trinidad and Tobago	International Fiscal Association (IFA)
Centro de Administraciones Tributarias Subnacionales de Argentina (*Center for Subnational Tax Administrations of Argentina*)	International Monetary Fund (IMF)
Centro Interamericano de Administraciones Tributarias (CIAT)	Kenya Revenue Authority (KRA)
Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales (CREDAF)	Malawi Revenue Authority
Comisión Arbitral del Convenio Multilateral (*Arbitral Commission of the Multilateral Agreement*)	Ministère des Finances du Cameroun (*Ministry of Finance of Cameroon*)
Commonwealth Association of Tax Administrators (CATA)	Oficina Nacional de Administración Tributaria de Cuba (*National Office of Tax Administration of Cuba*)
Czechia General Financial Directorate	Organisation for Economic Co-operation and Development (OECD)
Department of Revenue India, India's Central Board of Direct Taxes	Pacific Islands Tax Administrators Association
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Receita Federal do Brasil (*Special Department of Federal Revenue of Brazil*)
Dirección de Impuestos y Aduanas Nacionales de Colombia, DIAN (*National Directorate of Taxes and Customs of Colombia*)	Servicio de Administración de Rentas de Honduras (*Revenue Administration Service of Honduras*)
Dirección General de Impuestos Internos de República Dominicana (*General Directorate of Internal Taxes of the Dominican Republic*)	Servicio de Impuestos Internos de Chile (*Chile's Internal Revenue Service*)
Dirección General de Ingresos de Panamá (*General Directorate of Revenue of Panama*)	Servicio de Impuestos Nacionales de Bolivia (*National Tax Service of Bolivia*)
Dirección General Impositiva de Uruguay (*General Tax Directorate of Uruguay*)	Servicio de Rentas Internas del Ecuador (*Internal Revenue Service of Ecuador*)
Dirección Nacional de Ingresos Tributarios de Paraguay (*National Directorate of Tax Revenue of Paraguay*)	South Centre
Direction Générale des Impôts de Bénin (*General Directorate of Taxes of Benin*)	South Corea National Tax Service
Direction Générale des Impôts de la Côte d'Ivoire (*Ivory Coast's General Directorate of Taxes*)	Sudan Tax Chamber
Direction Générale des Impôts du Gabon (*Gabon's General Directorate of Taxes*)	Superintendencia Nacional de Aduanas y de Administración Tributaria de Perú, SUNAT (*Peru's National Superintendency of Customs and Tax Administration*)
Direction Générale des Impôts du Maroc (Morocco's *General Directorate of Taxes*)	Tanzania Revenue Authority (TRA)
Ernst & Young United Kingdom	Tax Justice Network Africa (TJNA)
Federal Inland Revenue Service (FIRS) Nigeria	The World Bank Group
Financial Directorate of the Slovak Republic	Turks and Caicos Inland Revenue Department
Guyana Revenue Authority	West African Tax Administration Forum (WATAF)
His Majesty's Revenue and Customs (HMRC) UK	