



NETWORK OF TAX ORGANISATIONS (NTO)

GOVERNANCE STRUCTURE AND RULES OF PROCEDURE

Draft Updated: 2020-07-22

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OVERVIEW

The purpose of these rules and procedures is to operationalise and complement the Memorandum of Understanding (MoU), which was concluded between the African Tax Administration Forum (ATAF), the Association of Tax Authorities of Islamic Countries (ATAIC), the Commonwealth Association of Tax Administrators (CATA), the Inter-American Centre of Tax Administrations (CIAT), the Caribbean Organisation of Tax Administrators (COTA), the Tax Administrators Circle for Reflection and Exchange (CREDAF), the Intra-European Organisation of Tax Administrations (IOTA), the Pacific Islands Tax Administrators Association (PITAAA), the West African Tax Administration Forum (WATAF) and the International Tax Compact (ITC) (hereafter “**the Signatories**” or in case of one particular organisation “**the Signatory**”) on May 17, 2018 and which establishes the Network of Tax Organisations (NTO).

The Network of Tax Organisations (NTO) is a network of regional and international organisations of revenue administrations that wish to develop and promote effective tax systems to contribute to the well-being of all people. Pursuant to the Memorandum of Understanding, the NTO will act as a global platform for exchange of experiences, knowledge and best practices on tax administration matters.

In particular, the NTO is created:

- to provide a forum for cooperation and coordination between member organisations;
- to strengthen tax administrations through peer learning and the sharing of experiences as well as through the provision of services, products and information; and,
- to ensure representation of their members’ interests in the various international fora and discussions.

The rules and procedures are intended to serve as a guideline concerning roles, responsibilities and procedures within the framework of the NTO. They are not legally binding and are not intended to create formal rights or obligations for either Signatory.

Based on extant documents and a descriptive analysis of existing practices, which have worked and continue to work, the governance document aims to inform both current and new members of the NTO about organisational guiding principles, independent of their role in the framework.

MEMBERSHIP

ARTICLE 1

- a. Membership in the NTO is open to regional and international organisations of revenue administrations that are organised on a geographical basis or along linguistic or religious considerations.
- b. Additional signatories may be invited or can request to join the NTO.
- c. The Secretariat will forward all requests to join the NTO to all Signatories. By consent of all Signatories, organisations are admitted to the NTO.

ARTICLE 2

Any Signatory may withdraw from the MoU by providing six months' prior written notice to the NTO Council and the NTO Secretariat. During this time, the Signatory giving notice accepts to fulfil the necessary minimum level of cooperation.

ROLES AND RESPONSIBILITIES

- a. The governance structure of the NTO consists of the NTO **Assembly**, the NTO **Council**, the **Head of Council**, the **Focal Points**, the **Secretariat** and the **Working Groups**.
- b. In line with their respective roles and responsibilities, the structure of the NTO represent a minimum of formalised guidance necessary for a functioning NTO and a structured coordination of enhanced cooperation (see also Section IX).
- c. Additional bodies may be established if the Assembly decides to do so.

ARTICLE 3

- a. Decisions concerning the strategic focus, governance and funding of the NTO will be taken by joint decision of all Signatories (**Assembly**). Specifically, the Assembly serves as a strategic forum by:
 - Developing strategic plans;
 - Approving the annual work plan;
 - Deciding on the overall funding strategy of the NTO;
 - Deciding on the composition of the Council, agreeing on the Head of Council and on the admittance of other tax organisations into the NTO; and,

- Approving any changes to the founding documents of the NTO, such as for example the Memorandum of Understanding, including its annexes, or the Governance Structure and Rules of Procedure.
- b. The Assembly consists of the heads of all Signatories secretariats.
- c. The Assembly convenes at least annually. The annual meeting of the Assembly will be held by May of each year unless exceptional circumstances foreseen under Article 9 arise. Heads of the Signatories secretariats will make every effort to attend the Assembly's meeting in person or through a representative. In the event that this not possible, arrangements may be made in order to ensure participation by electronic means.
- d. Decisions in the NTO Assembly will be taken by consensus (unanimous vote) of all NTO Members. Every Signatory has one vote.

ARTICLE 4

- a. The **Council** is responsible for the operational management of the NTO and the implementation of the Assembly's decisions. It provides advice and support to the Assembly and guides the work of the NTO Secretariat. It has the responsibility to pursue the objectives of the NTO observing the Guiding Principles. Specifically, it
- Provides guidance to the NTO Secretariat;
 - Proposes the annual work plan to the Assembly;
 - Supports the implementation of the NTO activities;
 - Prepares decisions to be taken by the Assembly; and,
 - Monitors progress made against the annual work plan of the NTO.
- b. The Council is composed of five representatives of the Signatories (**Council Members**) and is headed by one of its members, the **Head of Council**.
- c. Heads of the secretariats of the Signatories are eligible to become **Council Members**. This, however, does not apply to the ITC as Secretariat of the NTO. Each Council Member can nominate its Focal Point to represent the Signatory's interest in the Council. There is no obligation for a Signatory to become part of the Council.
- d. Council membership will be on a two-year-term. The Heads of the ATAF, CATA, CIAT, IOTA and WATAF secretariats are the first term's Council Members. The first term starts in the year 2018. Each second year, starting with the year 2018, new Council Members are appointed. To ensure continuity in the Council, Signatories make sure that two Council Members of the previous term remain in office for one more term.
- e. By consent of all Signatories, Council membership is awarded at every second annual meeting of the Assembly, starting with the year 2018, for the two-year term.

- f. If the Assembly fails to allocate the available Council seats, Council membership can be awarded by simple majority vote with each of the Signatories present at the meeting of the Assembly having one vote per open position.
- g. The NTO Council will make all reasonable efforts to come to decisions by consensus. If no consensus can be reached, Council decisions are taken by a simple majority of the Council Members present at the meeting (virtual or in person) or responding to written requests for input. In case of draw, a custom vote will be given to the NTO Head of Council. The quorum required to take decisions is the presence of more than 50% of the Council Members at meetings (virtual or in person) and calls, or responses of 50% of the Council Members to written requests for input.

ARTICLE 5

- a. From the newly appointed group of Council Members, a **Head of Council** shall be appointed, upon his/her agreement, by the Assembly for a two-year term at the annual meeting of the Assembly. The term of the Head of Council starts on the day of his/her election and ends upon the appointment of his/her successor by the Assembly. The Head of Council can be reappointed for a maximum of one additional term.
- b. The Head of Council main tasks and responsibilities are the representation of the NTO before other entities and individuals, guide the NTO Secretariat in carrying out the day-to-day business of the NTO and supervises the implementation of decisions of the Assembly and the implementation of the annual work plan. The Head of Council presides over the Council meetings and the annual Meeting of the Assembly.
- c. The Head of Council ensures representation of the NTO at the various international fora of relevance to the NTO, feeds NTO positions and interests into the tax debate and establishes and maintains a coherent, stable and unified image of the NTO in the international tax community.
- d. Upon timely request of the NTO Secretariat, the Secretariat will receive applications to the function of Head and members of Council no later than two weeks prior to the date of the annual meeting of the Assembly. The Secretariat will communicate the list of candidates to the Assembly prior to the annual meeting where the appointment takes place. Appointments of the Head and members of the Council will be placed on the agenda of the annual meeting of the Assembly where the election takes place.

ARTICLE 6

- a. Each Signatory designates one representative (**Focal Point**) with overall responsibility for implementing the MoU, including representing the head of the respective Signatory in the Council, if appointed by the respective Council Member to do so and if the Signatory is part of the Council.
- b. Focal points shall be senior officials of the Signatories.

- c. The Secretariat will be informed about changes concerning respective Focal Points.

ARTICLE 7

- a. The **Secretariat** is facilitated by the International Tax Compact (ITC) Secretariat.
- b. Based on the Guiding Principles as well as on the overall strategic guidance of the Council and decisions of the Assembly and in consultation with the Head of Council, the Secretariat facilitates the work of the NTO by:
 - Supporting the implementation of the work plan;
 - Preparing the meeting agenda and supporting documents, moderating the meetings and maintaining the minutes of meetings and calls;
 - Maintaining the website www.nto.tax;
 - Proposing modalities for Cooperation Activities and for joint activities among the Signatories;
 - Maintaining the network of the Focal Points; and,
 - Ensuring transparent communication within the NTO and visibility of the network in the international tax landscape.

ARTICLE 8

- a. **Working Groups** for specific tasks may be established upon need and when the Council decides to do so. Any Signatory can suggest the establishment of a Working Group.
- b. The size, term and duties of a Working Group shall be established by the Signatories wishing to form part of the Working Group.
- c. Each Working Group shall meet as it deems necessary to properly perform its duties. Meetings of the Working Groups shall, whenever possible, be held virtually and be recorded in summary minutes.
- d. Each Working Group may make and alter rules for its conduct and procedure, providing they are consistent with the Guiding Principles of the NTO, the Memorandum of Understanding and the present Rules of Procedure.

MEETINGS

ARTICLE 9

- a. The Assembly meets annually, preferably on the side-lines of or back-to-back to existing meetings or events of any of the Signatories. Presence of more than 50% of the NTO Members is required to constitute a meeting. In case of presence of a lower number of NTO Members, meetings will be postponed to a later date, where participation of the required number of NTO Members can be assured.

- b. As a general rule, the annual meeting of the Assembly shall take place by May of a given year. In the specific case of exceptional circumstances dramatically affecting the innerworkings of the Signatories, the Secretariat of the NTO may propose to the Council that the annual meeting of the Assembly be postponed to a later date in the same calendar year. This proposal shall be approved by the Council according to the rules and procedures set in Article 4(g) for the annual meeting of the Assembly to be postponed. The term of members appointed under these circumstances ends upon the appointment of their successors in the second year following the meeting of the Assembly.
- c. The Head of Council presides over the annual meeting of the Assembly by opening and closing the meeting and by leading the participants to consensus and to reaching agreements on key decision points. In the absence of the Head of the Council at the Assembly Signatories present agree by consensus, at the beginning of the session, who should be chairing this specific session. The Head of the Council may, beforehand, suggest to the Council who may be best placed to be chairing the meeting.
- d. The annual meeting of the Assembly is prepared and moderated by the Secretariat in consultation with the Council. To ensure transparency, the Secretariat will document all Assembly meetings, and the minutes will be provided to all the Signatories for consideration.
- e. The annual meeting shall provide a forum for the strategic discussions concerning the further development of the NTO. During the annual meeting:
 - The Council proposes the Annual Work Plan;
 - The Assembly discusses and adopts the Annual Work Plan;
 - The Assembly decides on any pending matter concerning the strategic focus, governance or funding of the NTO; and,
 - The Assembly, every second year starting with the year 2018, appoints new Council members and the Head of Council

ARTICLE 10

- a. The Council aims at meeting four times per year, preferably virtually or on the side-lines of or back-to-back to existing meetings or events of any of the Signatories. The Head of Council, when necessary, can call additional Council meetings.
- b. Council Members declare their readiness to attend Council meetings whenever possible, to guarantee a continuous communication and running of activities.
- c. The Secretariat will announce Council meetings in advance to all Signatories.
- d. The Signatories, which are not part of the Council can participate as observers at Council meetings.
- e. The Head of Council presides over the Council meetings by opening and closing the meetings and by leading the participants to consensus and to reaching agreements on key decision points.

- f. The meetings are prepared and moderated by the Secretariat. To ensure transparency, the Secretariat will document all Council meetings, and the minutes will be provided to all the Signatories for consideration.
- g. In the absence of the Head of the Council at a Council meeting, Council Members present agree by consensus, at the beginning of the session, who should be chairing this specific session. The Head of the Council may, beforehand, suggest to the Council who may be best placed to be chairing the meeting.

GUIDING PRINCIPLES

ARTICLE 11

In accordance with the MoU, the NTO will be guided by the following principles:

- **Complementary:** Collaboration will be aimed at complementing existing activities and cooperation agreements. The NTO will avoid duplication of efforts and instead work towards creating synergies with its stakeholders.
- **Equal:** Participation in the NTO will be founded on the equality of its members.
- **Transparent:** The governance and activities of the NTO will be communicated, both internally and externally, in a clear and open manner.
- **Voluntary:** The independence and autonomy of all members will be assured. Their participation in the NTO and its activities will be voluntary.

COOPERATION ACTIVITIES

ARTICLE 12

The Signatories will ensure a minimum level of participation in the Cooperation Activities as outlined in the Memorandum of Understanding and in the implementation of the annual work plan in order to pay tribute to the Guiding Principles of the NTO.

ARTICLE 13

The Signatories concur that the scope of cooperation is determined by the strategic plan for the respective years and the corresponding implementation strategy and the annual work plan.

BUDGET AND FUNDING

ARTICLE 14

- a. The ITC is currently funded by the German Federal Ministry for Economic Cooperation and Development and the European Commission and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.
- b. The NTO may use third party funding for activities undertaken in accordance with the regulations and procedures and within the limits of the available resources of the Signatories.
- c. There exists no predetermined funding mechanism for NTO activities. The NTO will develop a funding mechanism and concrete terms and conditions of such funding.
- d. If in carrying out Cooperation Activities pursuant to this MoU, one or more Signatories incur costs, the corresponding coverage should be agreed by the involved Signatories beforehand.

RULES AND PROCEDURES

ARTICLE 15

- a. The working language of the NTO is English. The Annual Work Plan, minutes of Council meetings and calls as well as other NTO documents and products are provided in English.
- b. If necessary, documents and publications might be translated into other official languages of the NTO Members (e.g. French, Spanish, Arabic, etc.), if funding is available. During joint international events bringing together the members of the Signatories, simultaneous interpretation will be considered.

ARTICLE 16

- a. Any sharing of information and products between the Signatories will be subject to their respective policies and procedures relating to the disclosure of confidential information.
- b. The use of a Signatory's name, abbreviation and logo by the other Signatories is subject to the respective Signatory's policies.

ARTICLE 17

- a. There is no legal or financial obligation whatsoever for a Signatory to participate in an activity or exchange of information carried out by the NTO.

- b. No Signatory will be forced by any governance body as determined in Section III. to act against its own procedural specifications.
- c. Cooperation Activities under the NTO in line with Articles 12 and 13 shall be open to all Signatories of the NTO. However, NTO members can also design and implement activities, in which only some of the Signatories take part.

ARTICLE 18

- a. Unless decided otherwise by the Council, all Cooperation Activities by the NTO outlined in Articles 12 and 13 should be published under the NTO logo and documented, as the case might be, on the NTO website. The Signatories concur that all other activities involving two or more Signatories can be published under the NTO logo unless the Council decides otherwise.
- b. The Signatories concur that each Signatory may publish statements in name of the NTO and using the NTO corporate design, including the NTO logo. This can include press releases, website posts and the maintenance of social media accounts on behalf of the NTO.

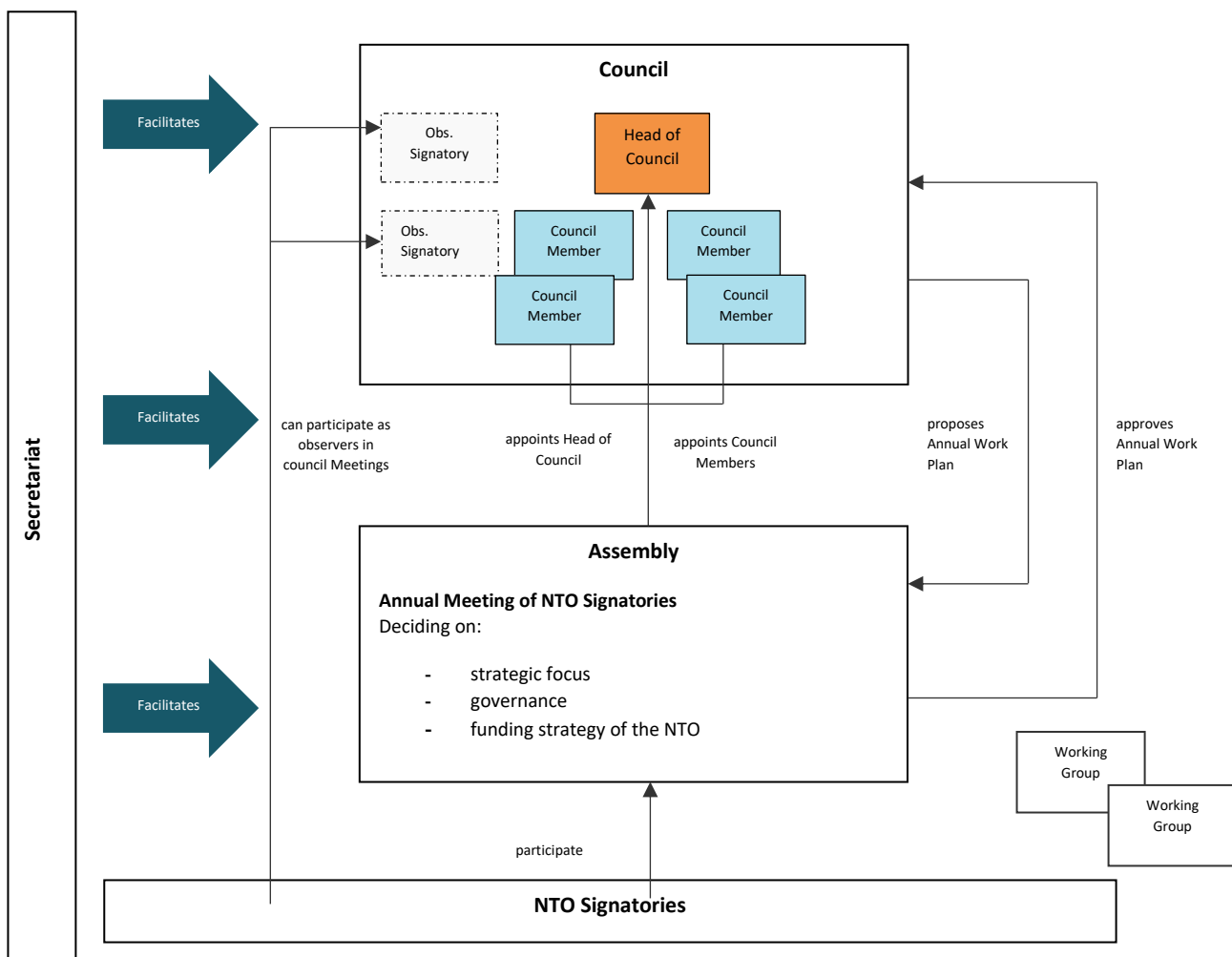
ARTICLE 19

- a. The Governance Structure and Rules of Procedure may be amended on the initiative of either Signatory by suggesting amendments in writing to the NTO Secretariat, which will forward the proposed amendment to the Signatories for their consideration. Suggested amendments will be discussed and approved by all Signatories and will enter into effect the day after the Secretariat receives approval of the last Signatory. Amendments can be approved by signature of the head of the Signatories on the original document amending the Governance Structure and Rules of Procedure or by signing of a scanned copy of the amendment and subsequent return of the document with the signature to the Secretariat via email.
- b. Any decision-making in the Council and at the Assembly shall be based on mutual consensus.
- c. The Signatories have the intention to amicably settle any dispute through consultations or negotiations.
- d. In cases of severe disputes, Council members can ask the Secretariat to act as an independent mediator.

ARTICLE 20

The NTO strives to develop an adequate voluntary performance measurement framework to evaluate and monitor the performance of the NTO.

ORGANISATIONAL CHART



KEY DOCUMENTS

- a. MEMORANDUM OF UNDERSTANDING
- b. STRATEGIC PLAN, INCL. IMPLEMENTATION STRATEGY

Facilitated by



Funded by

