

# **INTERNATIONAL ASSOCIATION OF TAX JUDGES**

**4TH ASSEMBLY - AMSTERDAM**

**TAX AVOIDANCE**

**TAX EVASION**

## The Panel

Justice Frank Pizzitelli, Chair

- Jurgen Brandt
- Judge Pierre Collin, France
- Judge Malcolm Gammie, England
- Professor Stef van Weeghel, Netherlands

**Tax Avoidance**

**OR**

**Tax Evasion**

# What is Tax Avoidance?

- There is nothing sinister in arranging one's affairs as to keep taxes as low as possible.
- Parliament intends taxpayers to take full advantage of the provisions of the Tax Acts that confer tax benefits.

# Tax Evasion

- Evasion involves an element of fraud perpetrated upon the tax authority.
- The act is carried out in some form of concealment or deceit with intent to evade or defeat tax or payment of tax.
- The act is willful, in that it is a voluntary, intentional violation of a known legal duty.

# **GAAR**

## **General Anti-Avoidance Rule**

- Attempts to draw the line between avoidance and evasion

# What are the Civil and Criminal penalties for Tax Evasion?

- Criminal - Incarceration and or Financial Penalty
- Civil - Tax plus Penalties -



# What are some of the Abusive Schemes?

- How has your Country and Court dealt with abusive tax schemes?

# **How does a taxpayers failure to file a tax return fit within this discussion?**

- Are there separate penalties, criminal and civil for failure to file a tax return?
- Are such penalties effective in getting taxpayers to comply with the tax laws?
- What changes could be made to improve compliance with tax laws?

# How Evasion operate Internationally?

- What are the international tax evasion issues?
- How has your country dealt with international evasion issues?