

EDITORIAL NOTE

This issue of JOTA presents a collection of research articles and practitioners' commentaries. There is also a new section featuring the research at the Chartered Institute of Taxation (CIOT).

The first two articles focus on the effect of **new methodologies** on the tax profession. The article by Patrick Buckley, Elaine Doyle, Brendan McCarthy, and Ruth Gilligan investigates how technological advances in applications of artificial intelligence (AI) can change the work of tax practitioners. The authors argue that the analysis should be based on the tasks and the career stage, rather than on the occupation, because of the uneven effect of AI automation on various roles. This important point applies to many other occupations; using the approach proposed in the paper can lead to unexpected insights in the current debate around the effect of AI on the labour market. The article by Agung Darono and Aldi Pratama looks at the implications of using Big Data analytics in tax audits in Indonesia. This case study illustrates how tax authorities can utilise the benefits of the novel tools alongside the traditional use of data to improve the efficiency of risk-based audits and the transparency of the work of tax auditors.

Cyril Chimilila and Vincent Leyaro analyse the capabilities and revenue extraction efficiency of tax administrations in 42 countries in Sub-Saharan Africa. They identify relative contributions of various factors (such as the level and allocation of resourcing, the utilisation of advanced technologies, internal organisation and the macroeconomic environment) to tax administration efficiency using the panel stochastic frontier estimation technique.

Stephanie Walton explores how the use of subsidiary tax havens by U.S. firms affects tax accrual quality. The positive effect established in this study suggests that the managers of the U.S. domiciled firms with foreign subsidiaries are compelled to provide more precise tax accrual information when the subsidiary jurisdiction has less tax transparency. Thus, tax accrual quality serves as a signal to the firm's external stakeholders about the level of its discretion over the operations of its foreign subsidiary.

The article by Marlon Manya Orellana and Miryam González-Rabanal investigates the handling of the double taxation of dividends by the convention between Ecuador and Spain, with the focus on economic double taxation, rather than the conceptually different legal double taxation. The authors analyse how the incidence of international economic double taxation influences firms' decisions about location, level of debt, and the management of dividends, and how it affects the dynamics of foreign investment.

The paper by Robert Warren, Timothy Fogarty, and Philip Cola analyses the implications of using special agents from the U.S. Internal Revenue Service (IRS) Criminal Investigation Division to uncover tax evasion. There is evidence that the majority of suspected tax evasion cases investigated by special agents belong to other categories of crime, such as money laundering or identity theft. Using a unique survey of former and current special agents, the authors offer an explanation of the deviation of the results of their work from their mission.

The article by Wei Zhang presents an analysis of the legal framework for determining the value-added tax to be applied to a barter transaction in the absence of its market price, as could be the case with a one-off, unusual service. The author proposes a new article for inclusion in European Union legislation that would resolve this issue.

In the **Commentaries** section, we present contributions by practitioners based on their experience with tax administration in specific jurisdictions, as well as general observations and practical recommendations for tax administrators.

Mohammed Abdullahi Umar from the United Arab Emirates University joins Rabiou Olowo from the Lagos State Ministry of Finance in Nigeria to provide a commentary that outlines the categories of risks facing tax administrations in less developed countries. This contribution lists practical suggestions as to how these different categories of risks can be assessed and managed in a systematic way in order to improve tax compliance.

Hank Williams, Deputy Commissioner-General at the Strategic Services of Tax Administration Jamaica (TAJ), contributed a commentary on the successful completion of the Revenue Administration Information System (RAiS) project. Under this project, TAJ invested in the development of a sophisticated risk model of compliance that was implemented via a customised Internet-based platform. This improved service for taxpayers, which has led to an increase in the number of electronic tax filings and an associated improvement in correct reporting and payments.

The **CIOT** section includes an article describing the research presented at one of the recent ADIT seminars, a summary of the CIOT's collective response to the U.K. government's call for evidence on the umbrella company market, and a review of a book by a CIOT Fellow.

The article by Ann Barnshaw Kengaaaju and Lakshmi (Celina) Solayen discussed the automatic exchange of information, a mechanism prescribing the exchange of taxpayer information between tax authorities around the world at regular intervals. While greater transparency helps to curb tax evasion, there are concerns about taxpayers' right to privacy. The authors offer some recommendations for balancing the two objectives.

In the United Kingdom, H.M. Treasury published its call for evidence on the umbrella company market on 30 November, 2021. Its aim was to obtain informed views on the role of umbrella companies in the labour market and their interaction with the tax system and employment rights. Gareth Myles has adapted the full text of the CIOT's response to the call for evidence for our readers.

A book by Chris Thorpe, *Implied trusts and beneficial ownership in modern UK tax law*, published by Spiramus Press, was reviewed by Paul Gilmour, a renowned expert in the subject. The review includes an extensive bibliography with useful links to the related academic literature and case studies.

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