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**Presentation at
Sheraton Metechi Palace Hotel, Tbilisi**



**Improving Revenue Law
through
a policy
for
Better Regulation**

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Wisdom



Albert Einstein admitted, "The hardest thing in the world to understand is the income tax."

In levying taxes and in shearing sheep it is well to stop when you get down to the skin.

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Overview

This presentation will:

- Explain how governments in OECD and EU countries have sought to improve policy-making and legislative drafting
- Describe the institutions and tools involved in this process
- Suggest the relevance of these developments to policy-makers concerned with revenue law.

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Context for Better Regulation policy

- Awareness of the need for good policy decisions and well drafted legislation
- Public sector modernisation
- Regulatory reform/ deregulation
- OECD Reports
- EU Policy
- Developments in EU Member States

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Definition of better regulation

Better regulation is:

A policy which aims to ensure that (existing and future) legislation is as concise and straightforward as its subject matter permits and That ensures regulations are as light as is commensurate with the proper protection or promotion of the various public interests at stake and the burden it imposes on citizens or business.

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Better Regulation – practices



Better Regulation achieved through:

Policies
Institutions
Tools

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Policies and Institutions


Policies

- Implicit
- Explicit



Institutions

- Central Units
- Task forces
- Part of existing structures

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Tools



Impact assessment
Consultation
Simplification

- Language
- Procedures (reduction of administrative burdens)
- Use of internet to communicate and raise taxes.
- Consolidated, codified, recast texts

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Impact assessment

- Early and often
- Link with consultation
- Supports evidence based policy making
- Improves legitimacy and compliance
- Review by central body

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Consultation

- Burden or blessing
- Time needed
- Regulatory Capture versus exclusion
- Tool to acquire information and insights not available to officials
- Culture specific

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Administrative Simplification



Somewhere between a policy, a tool and institutional reform stands **administrative simplification**:

1. Standard cost model.
2. Use of I.T. to disseminate information and simplify administration.
3. Change of mentality towards form filling.
4. New ways of achieving old results.
5. Taxation burdens weigh heaviest and offer many opportunities for administrative simplification.

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Relevance to policy-makers concerned with revenue policy

Taxation is one of the biggest burdens imposed by government on citizens and businesses

Governments should make every effort to simplify tax collection.

Better regulation policies can be applied to tax policies.

Administrative simplification and using e.tools is the future

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Summary

This presentation has:

- Explained how governments in OECD and EU countries have sought to improve policy-making and legislative drafting**
- Described the institutions and tools involved in this process**
- Suggested the relevance of these developments to policy-makers concerned with revenue law.**

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Further reading

COMMUNICATION OF THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS
Implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment Brussels, 14.11.2006 COM(2006) 690 final

COMMISSION WORKING DOCUMENT
Progress reports on the strategy for the simplification of the regulatory environment

From Red Tape to Smart Tape: Administrative Simplification in OECD Countries, OECD, 2003

REGULATORY MANAGEMENT CAPACITIES OF MEMBER STATES OF THE EUROPEAN UNION THAT JOINED THE UNION ON 1 MAY 2004: SUSTAINING REGULATORY MANAGEMENT IMPROVEMENTS THROUGH A BETTER REGULATION POLICY, SIGMA PAPER No. 42
WWW.SIGMAWEB.ORG

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