

УДК 336.2; 347.73

DOI <https://doi.org/10.24144/2307-3322.2023.79.2.14>

## EXPERIENCE IN CONDUCTING TAX AMNESTY IN DEVELOPING COUNTRIES BEFORE THE INTRODUCTION OF AUTOMATIC EXCHANGE OF TAX INFORMATION

**Muzyka-Stefanchuk O.**,  
*head of the Finance Law Department,  
Educational and Scientific Institute of Law,  
Taras Shevchenko National University of Kyiv,  
leading researcher at the Scientific-Research Institute  
of Intellectual Property of the National Academy  
of Legal Sciences of Ukraine,  
Doctor of Law, Professor*  
ORCID ID: <https://orcid.org/0000-0001-7986-7149>

**Masyakin I.**,  
*PhD student,  
Financial Law Department,  
Educational and Scientific Institute of Law,  
Taras Shevchenko National University of Kyiv.*  
ORCID ID: <https://orcid.org/0009-0004-8162-7530>

**Muzyka-Stefanchuk O., Masyakin I. Experience in conducting tax amnesty in developing countries before the introduction of automatic exchange of tax information.**

The author provides a detailed overview of an article that examines tax amnesty programs within the framework of international tax initiatives like the BEPS Action Plan and the Common Reporting Standard (CRS). The article argues that the integration of these global initiatives and domestic tax amnesties has complex and far-reaching implications for taxpayer behavior, government revenue, and fiscal policy at large.

The key themes of the article focus on global tax initiatives, the effectiveness of tax amnesties, the criteria for a successful amnesty program, and their ethical and social implications. The article underscores the transformative role of global frameworks like CRS and BEPS in tax enforcement, pointing to unprecedented levels of transparency and international cooperation. While the short-term revenue boosts from tax amnesties are acknowledged, the article argues that the long-term impacts of these programs on tax compliance and fiscal integrity are less certain. This makes the article's detailed set of conditions for an effective tax amnesty program particularly valuable for policymakers. The ethical and social implications of tax amnesties are also explored, emphasizing that public trust is crucial for the success of these programs.

In terms of methodology, the article combines qualitative analysis with empirical data, such as the OECD survey conducted in 2015, to build its arguments. Its comprehensive approach integrates perspectives from economics, law, and political science, making the findings relevant for a broad audience.

In conclusion, the article is a significant contribution to the growing body of literature on tax policy and international cooperation. It offers a nuanced understanding of how domestic tax amnesties interact synergistically with global tax initiatives to impact compliance and revenue collection.

**Key words:** taxes, tax amnesty, tax information, BEPS, Common Reporting Standard (CRS), tax liability, tax obligations, FATF.

**Музыка-Стефанчук О.А., Масыкін І.І. Досвід проведення податкової амністії в країнах, що розвиваються, до впровадження автоматичного обміну податковою інформацією.**

Автор подає детальний огляд статті, яка досліджує програми податкової амністії в рамках міжнародних податкових ініціатив, таких як План дій BEPS та Стандарт загальної звітності (CRS).

Стаття аргументує, що інтеграція цих глобальних ініціатив і внутрішніх податкових амністій має складні та далекосяжні наслідки для поведінки платників податків, доходів держави та фіскальної політики в цілому.

Основні теми статті фокусуються на глобальних податкових ініціативах, ефективності податкових амністій, критеріях успішної програми амністії та їхніх етичних та соціальних наслідках. Стаття підкреслює перетворювальну роль глобальних рамок, зокрема, CRS та BEPS, які піднімають на безпрецедентний рівень прозорості та міжнародну податкову співпрацю. Хоча короткострокові збільшення доходів від податкових амністій визнаються, стаття стверджує, що довгострокові наслідки цих програм для дотримання податкового законодавства та фіскальної цілісності є менш визначними. Це робить детальний набір умов для ефективною програмою податкової амністії особливо цінним для законодавців. Етичні та соціальні наслідки податкових амністій також досліджуються, з акцентом на тому, що довіра громадськості є ключовою для успіху цих програм.

З погляду методології, стаття поєднує якісний аналіз з емпіричними, зокрема, такими даними, як опитування ОЕСР, проведене у 2015 р. Її всеосяжний підхід інтегрує точки зору з економіки, права та політології, роблячи знаходження релевантними для широкої аудиторії.

Висновок, стаття є значущим внеском в ростучий корпус літератури з податкової політики та міжнародної співпраці. Вона пропонує багатогранне розуміння того, як внутрішні податкові амністії взаємодіють синергетично з глобальними податковими ініціативами, впливаючи на дотримання законодавства та збір доходів.

**Ключові слова:** податки, податкова амністія, податкова інформація, BEPS, Стандарт загальної звітності (CRS), податковий обов'язок, податкові зобов'язання, FATF.

## Introduction

Global and national economies are grappling not only with the repercussions of the Covid-19 pandemic but also with the extensive economic crisis incited by Russia's aggressive invasion of Ukraine, thereby complicating the allocation of more resources towards each nation's economic growth. The substantial presence of the shadow economy further impairs the capacity of emerging economies to advance sustainably. The shadow economy fosters and drives the flow of a significant amount of money outside the formal banking system and promotes a comparatively high level of corruption within local and national government structures.

First and foremost, it is essential to explain what tax amnesty is. The terms "tax amnesty" and "zero declaration" often appear in the literature.

Zero declaration is a regime of exemption of individuals, who are tax residents, from legal accountability for tax law violations if they declare their income, other property, and property rights obtained (issued) in violation of such legislation and pay income tax on such income, other property, and property rights.

The term "zero declaration" refers to a standard form that a taxpayer fills out when the country's programme is implemented. The words "capital amnesty," "economic amnesty," and "tax amnesty" is commonly used. The most widely used notion is "tax amnesty."

Tax amnesty can be defined as a "limited time offer by the government to a specified group of taxpayers to pay a defined amount, in exchange for forgiveness of a tax liability (including interest and penalties), relating to a previous tax period (s), as well as freedom from legal prosecution" [1, p. 5].

### Types of tax amnesties

There are the following types of tax amnesties:

1. **One time**, conducted in countries with conservative tax systems before introducing systemic tax reforms, such as implementing the BEPS Action Plan (in particular, the CFC rules) and implementing the automatic exchange of information under the CRS. Tax amnesties, in this case, may be helpful since most taxpayers do not withstand the current level of taxation, and this leads to lower tax discipline manifestations of widespread distribution of capital schemes. Existing penalties do not restrain the general trend for tax evasion and avoidance, which leads to capital outflow.

2. **Regular** – granted by the legislation of a number of countries and specific periods of the year when the taxpayer can settle his or her tax obligations with the government at a reduced rate. Countries with dynamic tax rules and growing economies are the most likely to deploy it.

3. **Periodic** – depends on the conditions of the specific situation, the general economic indicators of the country, the course pursued by the state in the economy, a set of problems that have accumulated in some of its sectors.

There are the following objectives of the tax amnesty:

1. Replenishment of the state budget at the expense of funds received due to declaring hidden or overdue tax payments;
2. Financial stabilisation of the enterprises, ensuring the transition of funds from the shadow sector of the economy to the legal one;
3. General improvement of the state of the economy, investment climate, the possibility of investing if the amnesty provides for the repatriation of foreign capital to real sectors of the economy;
4. Creation of new legal bases and mechanisms in the relationship between the state and taxpayers;
5. Increase of compliance. Prevention of tax offences and crimes.

According to IMF missions, tax amnesty is introduced in many nations, particularly developing countries, due to fundamental flaws in the legal structure, management, and tax administration systems. The following are some of the flaws in tax administrations that might justify the introduction of the tax amnesties:

- lack of a fair regime of interest and penalties;
- limited access of tax administrations to information concerning taxpayers;
- lack of a well-thought-out, fair system of tax instalments;
- lack of authority to collect from tax administrations and dependence of tax administrations on courts to perform this crucial function;
- lack of authority to write off bad debts in the tax administration.

#### **International mechanisms for regulating tax amnesty measures**

The legalisation of illegally obtained income is one of the risks of a tax amnesty. The International Anti-Money Laundering Group (FATF) is an intergovernmental organisation that develops and implements international anti-money laundering policies and standards.

The FATF oversees the implementation of such measures, researches money laundering tactics and strategies, develops preventative and precautionary measures, and promotes worldwide anti-money laundering standards.

The FATF approved the following fundamental principles for combatting money laundering and terrorist financing (AML / CFT) in the execution of voluntary compliance with tax legislation (tax amnesty) policy in June 2010 [2]:

**“Principle 1:** The practical application of AML/CFT preventative measures is a prerequisite for addressing and mitigating the money laundering and terrorist financing risks associated with implementing any voluntary tax compliance programme.

**Principle 2:** The FATF Recommendations do not allow full or partial exemptions from AML/CFT requirements in implementing a voluntary tax compliance programme. Therefore, when implementing a voluntary tax compliance programme, national authorities should ensure that its terms do not allow, in law or practice, for full or partial exemptions from AML/CFT requirements as set out in the FATF Recommendations. Voluntary tax compliance programmes that do so breach the FATF Recommendations.

**Principle 3:** When implementing a voluntary tax compliance programme, it should be ensured that all relevant domestic competent authorities be able to co-ordinate and co-operate and exchange information, as appropriate, with a view to detecting, investigating and prosecuting any AML/FT abuse of the programme.

**Principle 4:** The most comprehensive possible range of mutual legal assistance and exchange of information in AML/CFT investigations, prosecutions and related proceedings relating to the abuse of voluntary tax compliance programmes, including asset recovery investigations and proceedings, should be provided.”

The FATF monitors the national tax amnesty schemes and invites its members to report on their development and implementation to this international body as soon as possible. The FATF plenary session established its jurisdiction over maximum transparency in information and the application of AML/CFT principles in the context of national tax amnesty laws and analysis of these provisions and appropriate responses in the event of violations of the FATF national amnesty programme.

#### **Experience of developing countries in conducting tax amnesty**

##### **Argentina**

Argentinian tax amnesty is held regularly and comprises a variety of procedures, ranging from capital amnesty based on repatriation and investment in special funds and state firms to lower tax rates for “bad” debtor” and employer tax vacations. Although the efficiency of such activities is insufficient, they allow for tax reform and combating economic crises.

**2008 Tax Amnesty**

In December 2008, Congress passed a law requiring taxpayers who fail to meet their tax obligations on time to be subject to a tax amnesty. It applied to payments to be received by the budget by December 31 2007. The increased rate was 30, 40 or 50%, depending on how late the payer was. The shorter the delay period, the lower the tax rate. Penalties, which usually ranged from 50 to 100%, were completely lifted. It provided a 35% rate in the repatriation fee and a flexible rate for companies and individuals who invest capital in national enterprises. For investments in the construction sector amounted to 1%, on average for investments – 3%, capital placed in accounts with national banks – 6%. Taxpayers were not required to disclose sources of capital; they were exempted from criminal prosecution by the state in cases where the origin of capital was not related to drug or arms trafficking and other illegal activities.

The tax breaks impacted companies that met their social responsibility to generate new employment. During the year after the employee growth, the employer only paid half of the social taxes. He was required to pay 70% in the second year. On the other hand, companies were not allowed to lay off employees for two years following the tax break.

The tax amnesty terminated in 2009, and the budget got \$ 8.3 billion. The amnesty scheme benefited almost 200,000 taxpayers. According to labour regulations, 330 thousand persons who previously got “grey” pay were employed.

The attraction of billions of dollars of undeclared Argentine currency to the state economy had clear economic motivations. Argentines had about \$400 billion in offshore accounts as of 2012. The government sought to earn money by imposing “special” one-time tax payments on tax amnesty participants encouraging people and businesses to bring overseas assets to Argentina, and boosting local private investment by passing the amnesty law.

**2016 Tax Amnesty**

On July 25, 2016, Argentina introduced a new tax amnesty, requiring the disclosure of assets held before July 22, 2016. Funds in national and foreign currencies, real estate, stocks, company shares, US depositary receipts, shares, and other assets at home and abroad, are examples of such assets.

The new amnesty has dealt with two primary concerns. First, the legislation established a legal mechanism allowing Argentines to report previously undeclared income and assets (such as savings in overseas bank accounts or cash) so that the respective statements did not raise doubts about the source of assets or expose them to tax evasion harassment.

**Procedure [3]**

Individuals and companies could declare their assets in three ways:

1. By paying a one-time special tax at the rate specified in the table below:

Assets	Tax rate
Assets, including real estate, worth less than \$ 6,837	0%
Assets, including real estate, are valued at \$ 6,837. up to \$ 17,933	5%
Assets, including real estate, worth more than \$ 17,933:	
disclosed by December 31, 2016	10%
disclosed from January 1, 2017, to March 31, 2017	15%

2. By using the assets to purchase any of the following securities:

- Argentine government bonds IPO in USD with a maturity of 3 years (must be purchased by September 30, 2016).
- Argentine government bonds IPO in USD with a maturity of 6 years (must be purchased by December 31, 2016).

Persons who adhered to this regime:

- Were exempted from the obligation to pay their unpaid taxes;
- Were not prosecuted for violations of tax law, customs law or administrative offences. The respective provision does not apply to cases of money laundering.

The tax amnesty plan applied to all taxpayers, individuals, and legal entities responsible for tax, social and customs obligations, except those guilty of tax crimes. The tax amnesty covered all taxes with overdue tax liabilities as of May 31, 2016, inclusive of violations related to such liabilities, except for deductions and contributions to the health insurance plan, insurance or employee benefits in case of accidents.

Among the plan's advantages were the forgiveness of applicable (tax and customs duties, social security costs) fines and part of the compensation and penalty interest on the outstanding amount.

The plan provided a variety of payment options. The debt is decreased by 15% if the payment is made immediately. There was also the option of paying in instalments.

**Results of the tax amnesty.** More than 245,000 people took advantage of the tax amnesty. The new tax amnesty raised \$ 116.8 billion. Of the total assets declared, \$ 93.3 billion came from abroad, which is 80 per cent, and \$ 23.5 billion came from Argentina [4].

The automated exchange of tax information under the Common Reporting Standard (CRS) and the implementation of the BEPS Action Plan were critical factors in the tax amnesty. The CRS will simplify the Argentine tax authorities to track down persons who hide their money in other countries. As a result, the tax amnesty mechanism was an essential tool for tax evaders to prepare for the upcoming changes in Argentina [5].

### **Indonesia**

The Indonesian government announced a nine-month tax amnesty scheme on July 18, 2016, which would last through March 31, 2017, to increase tax compliance, increase budget revenues, and facilitate overseas assets' repatriation.

According to the Indonesian government, around \$ 303 billion has been hidden in tax havens such as Singapore, Panama, London, Hong Kong, and the British Virgin Islands. The government was losing vital tax income. In order to resolve this problem, tax evaders have been given tax benefits and freedom from prosecution (subject to modest fines) in return for disclosing their overseas wealth and, if wanted, repatriating assets to Indonesia [6].

Indonesia tax amnesty came ahead of the country's implementing automated information sharing with more than 100 other nations that have signed up to the OECD's CRS's framework.

Indonesia joined the OECD's CRS in January 2017, kicking off the process for the Indonesian government to join the automated exchange of information (AEOI) for tax purposes [7].

The government planned to collect \$ 76 billion in returned cash kept overseas. The disclosure of offshore cash was expected to add \$12.5 billion to the state budget.

Indonesia tax amnesty has been criticized for rewarding tax evaders for their (previous) tax offences, making it unfair to those who pay their taxes on time. This may erode taxpayer confidence in the Indonesian system, resulting in lower compliance with state tax legislation.

However, Morgan Stanley, a well-known international company, stated that the Indonesian tax amnesty program "could help raise tax revenue and lead to capital returning to Indonesia, which could help lower rates and benefit interest-rate sensitive sectors (such as banks and developers). The penalty rates, depending on repatriation and time window, range from 2% to 10%, which look attractive versus the 25% corporate tax rate. Given the global drive to share financial information among world governments and the introduction of the Automatic Exchange of Information tax standard in 2018, the actual implementation could surprise the upside" [8].

### **South Africa** [9, p. 6]

South Africa introduced a tax amnesty programme in 2003 with three goals: to allow South Africans to straighten out their financial affairs without fear of being prosecuted; to ensure full disclosure of foreign assets and facilitate the repatriation of those assets to South Africa, and to broaden the tax base by disclosing previously unreported foreign assets. The amnesty was widely regarded as a success, with total foreign assets reported totalling €7.8 billion throughout the nine months.

Around €2.4 billion of this total was made up of allowed assets, while the remaining €5.4 billion was made up of foreign assets that had not been previously disclosed. Following consultations with the Worldwide Monetary Fund and the Bank for International Settlements, it was determined that the respective amnesty might become one of the international standards for measuring the performance of amnesties since it met all three of its objectives.

### **Republic of Kazakhstan**

In 2019, Kazakhstan introduced the tax amnesty ahead of the implementation of the CRS [10]. As of January 1, 2019, 1.4 million individuals had tax debts totalling 20.9 billion tenge, of which the debt was 14.3 billion tenge, and accrued interest was 6.6 billion tenge.

The tax authorities have carried out extensive preparatory work for the tax amnesty of individuals. In particular, the database was reconciled with the authorized and an inventory of personal accounts for the completeness and accuracy of the charges to update the personal accounts of taxpayers.

The Chairman of the State Revenue Committee of the Republic of Kazakhstan signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the “МСАА”) in 2018, which calls for the implementation of a common reporting standard for the automatic exchange of financial account information (“СRS”) [11]. The intended first information exchange was set by September 2020 [12].

**Results of the tax amnesty.** As a result, individuals took advantage of the tax amnesty to prepare for Kazakhstan’s of the OECD’s СRS to offset the negative implications in the future. 44,397 taxpayers took advantage of the tax amnesty programme, paying off 18.4 billion tenges (\$48.6 million) in principal debt and avoiding 6.5 billion tenges (\$17.1 million) in penalties and fines.

### **Georgia**

In Georgia, a tax amnesty was introduced in 2005, according to which any funds and property could be declared, 1% of their value could be paid to the budget. In the meantime, the sources of their origin were not clarified, and tax liabilities were considered fulfilled. The amnesty did not apply to persons against whom criminal cases of especially large-scale tax evasion had been instituted.

Georgian case is usually considered as an example of the failed tax amnesty. As a result of this amnesty, only eight people declared their income, and the budget received only 35 thousand dollars. US dollars, instead of the expected 4 million dollars. The main reason for the negative results is distrust of the government by citizens.

### **Ukraine**

As stipulated by Ukrainian legislation [13], the tax amnesty was an initiative aimed at pardoning tax and currency control offenses related to personal assets, granted they were correctly declared by eligible individuals in accordance with the tax amnesty guidelines. This time-bound amnesty extended from 1st September 2021 to 1st September 2022.

This tax amnesty scheme allowed eligible individuals the opportunity to declare and regularize reportable assets at a special tax rate, varying from 2.5% to 11.5%, contingent on their nature. However, it is important to note that individuals considered politically exposed were not permitted to participate in this program.

Participation in the tax amnesty required in-person enrollment, deviating from earlier drafts that suggested the utilization of depersonalized participation procedures. This initiative absolved individuals of the obligation to disclose the sources of the declared income/assets to the tax office, although this did not extend to anti-money laundering (AML) and know-your-customer (KYC) responsibilities.

Eligible applicants included residents of Ukraine for tax purposes, self-employed individuals, and foreign tax residents who were formerly Ukrainian tax residents at the time when the reportable income was accrued. Exclusions included politically exposed persons, individuals under the legal age, and those who obtained their income, property, or other assets through criminal activities. The assets covered included those directly owned by the applicant, controlled by the applicant, and those that could potentially generate income for the applicant.

The tax rates varied based on the nature and location of the assets. Assets located or registered in Ukraine had a lower tax rate, ranging from 2.5% to 5%, whereas assets located or registered outside of Ukraine attracted a higher tax rate, up to 9%. There was a provision for a temporary reduction in rates, valid from 1st September 2021 to 1st March 2022.

Under this scheme, a special declaration was required to be filed by the applicant electronically, and the self-assessed tax liability was payable within 30 calendar days following the submission of the declaration. Failure to make the payment timely and in full could lead to the rescinding of the benefits and protections offered.

This tax amnesty offered several benefits upon the complete discharging of the tax assessment. These included exoneration from criminal liability for tax evasion and financial liability for violations of tax and currency control legislation concerning the declared income/assets. Furthermore, the information reported by the applicant would be held confidential and could not be used in audits or as evidence in criminal proceedings regarding the reported income/assets.

While the tax amnesty has seen some positive results, it’s important to acknowledge the broader geopolitical context in which it has been implemented. The ongoing conflict following Russia’s invasion of Ukraine has severely affected the policy’s outcomes.

As per the records presented by Danylo Hetmantsev, the head of the parliamentary finance and tax committee, the tax amnesty led to voluntary disclosure of assets amounting to \$9.25 million (Hr 250 million). The state budget, as a consequence, accrued around \$385,000 (Hr 10.4 million) from these declared assets. Hetmantsev also observed a 20% increase in the number of disclosed assets within a 12-day period.

Despite these numbers indicating a positive trend, the figures are relatively modest when considering the scale of Ukraine's shadow economy and the potential that the tax amnesty held. The harsh reality of the ongoing conflict has doubtlessly influenced the outcomes. Economic instability, along with an environment of uncertainty due to the war, likely deterred individuals from taking full advantage of the tax amnesty. This crisis situation also possibly redirected government resources and attention away from effectively implementing and advertising the amnesty initiative.

Thus, while the tax amnesty showed promise, its full potential has been hindered by the unfavorable circumstances resulting from the war. This underscores the deep-reaching effects of geopolitical conflicts on national economic policies and their efficacy.

### **Conclusions**

#### **Role of the implementation of the BEPS Action Plan and automatic exchange of tax information under the CRS in the tax amnesties**

The experience of the tax amnesty in developing countries over the last few years suggests that the future implementation of the CRS is one of the primary arguments in favour of taxpayer involvement in tax amnesty.

Implementing a full-fledged CRS allows tax authorities to obtain both operational and retrospective information on foreign assets of tax residents. These include corporate rights, securities, bank accounts, movable and immovable property. This, together with the execution of the BEPS Action Plan, the adoption of CFC regulations and the improved TP control, presents a compelling case for taxpayers to participate in the tax amnesty.

According to an OECD survey of 2015 [9], 13 of the 47 countries that introduced various tax amnesties also implemented specific offshore tax disclosure programmes, including incentives and the ability to repatriate assets. The data on assets recovered through offshore tax amnesty programmes shows that these programmes have been beneficial to state budgets, albeit the long-term effects are unknown.

#### **How to introduce an effective tax amnesty?**

The international experience with tax amnesty demonstrates that the short-term effects of its adoption are positive, but the long-term effects are equivocal. The tax amnesty consequence is a brief gain in tax collections to the government at the expense of shadow income. As a result, tax regulations are being followed more closely. Tax amnesties have a long-term negative impact on the fiscal system, reducing incentives to comply with tax regulations. The theory behind this impact is as follows: new tax amnesties partially compensate for losses from unearned tax collections, but the prospect of a tax amnesty raises the incidence of tax fraud. If public trust in state institutions is poor, the amnesty may weaken the fiscal system and break the psychological agreement between the state and taxpayers, lowering taxpayers motivation. Taxpayers must be convinced that a tax amnesty is a one-time benefit in the context of significant tax reform. Otherwise, the creators of tax amnesty normative principles must consider the requirement for legislative consolidation of the tax amnesty system. As a result, despite its favourable attributes, tax amnesty is a somewhat confusing institution, both in terms of budgetary outcomes and the influence on taxpayer credibility.

Positive results of the tax amnesty are possible under the following conditions:

- 1) non-confiscation nature of the amnesty;
- 2) provision of state guarantees for exemption from persecution and confidentiality of information on the sources of origin of the declared objects;
- 3) focus on repatriation of income exported abroad;
- 4) the existence of an extensive and efficient banking system in the country;
- 5) consistent policy at the internal and external levels, ensuring their interests in concluding international agreements during the capital amnesty;
- 6) the legalization proceeds must comply with the FATF AML Standards;
- 7) Payment of a one-time tax or penalty for non-payment is required as part of the amnesty. The number of deductions should not be conditional in this instance but should be much higher than the present rates. The ideal rate is between 3 and 7%. Payment of the fine (if the law classifies it as a financial penalty) shall not create any further costs for the taxpayer;

8) Amnesty should include disclosing income without requiring further proof, as identifying the sources of income to the taxpayer. The secrecy of taxpayer declarations is also required;

9) The amnesty should be restricted to a short period to prepare and file the statement without causing undue enthusiasm among taxpayers - from one month to three times;

10) The tax amnesty should be carried out by a legal administration rather than a temporary one, and it should be followed by a comprehensive communication effort that will pique the attention of as many individuals as possible. As previously said, civilian faith in the government during the amnesty process is critical and challenging to overestimate. It is impossible that such a complicated event will occur in ideal conditions before the end of the year;

11) It is also essential to strengthen tax regulations after the amnesty. Amnesty should not be viewed primarily as a means of extracting additional revenue from individuals; rather, it should be the point at which a taxpayer permanently abandons his dark tax background and conducts his business entirely in the "white" tax field. The introduction of universal income tax returns, the introduction of an indirect method of determining the object of taxation at the legislative level (such a mechanism must minimize abuse by taxpayers), the tightening of liability for future tax, and, as an option, increasing the income tax rate on certain types of income are all examples of such tightening;

12) The tax amnesty should exclude from the legal system any funds earned before its introduction and not disclosed during the amnesty, with higher penalties for detecting revenues whose source the taxpayer cannot explain;

13) Amnesty should be followed by reducing current simplified taxing systems and the potential for tax optimisation using low-tax jurisdictions in other countries.

#### References:

1. Baer, Katherine. Tax amnesties: theory, trends, and some alternatives / Katherine Baer and Eric Le Borgne – Washington, D.C.: International Monetary Fund, 2008. Retrieved from <https://www.elibrary.imf.org/downloadpdf/books/058/09193-9781589067363-en/09193-9781589067363-en-book.xml>.
2. Outcomes of the FATF Plenary meeting, Amsterdam, 23-25 June, 2010. Retrieved from <https://www.fatf-gafi.org/documents/documents/outcomesofthefatfplenarymeetingamsterdam23-25june2010.html>.
3. The Most Successful Tax Amnesty Regime in Argentina's History. Retrieved from: [http://www.ttn-taxation.net/pdfs/Speeches\\_Miami\\_2017/3.SantiagoZebel-Themostsuccessfultaxamnestyregime.pdf](http://www.ttn-taxation.net/pdfs/Speeches_Miami_2017/3.SantiagoZebel-Themostsuccessfultaxamnestyregime.pdf).
4. Argentina says \$116.8 billion declared in record tax amnesty. Reuters. Retrieved from <https://www.reuters.com/article/us-argentina-tax-amnesty-idUSKBN176300>.
5. Argentina's Tax Amnesty: A Success Story. Taxlinked. Retrieved from: <https://taxlinked.net/blog/april-2017/argentinas-tax-amnesty-success-story>.
6. Tax amnesty Program Indonesia. Indonesia Investments. Retrieved from: <https://www.indonesia-investments.com/finance/tax-system/tax-amnesty-program/item7124>.
7. Changing landscape of the Indonesian taxation system and beyond. Retrieved from: <https://www.internationaltaxreview.com/article/b1rzld56l6vg6w/changing-landscape-of-the-indonesian-taxation-system-and-beyond>.
8. Morgan Stanley Asia-Pacific Fund, Inc. NYSE: APFSemi-Annual Report June 30, 2016 [https://www.morganstanley.com/im/publication/closedendfund/regulatory/semiannualreport\\_cef\\_asiapacificfund.pdf](https://www.morganstanley.com/im/publication/closedendfund/regulatory/semiannualreport_cef_asiapacificfund.pdf).
9. Best practices in tax amnesty and asset repatriation programmers. September 2017. Retrieved from [https://knowledgehub.transparency.org/assets/uploads/helpdesk/Best\\_practices\\_in\\_tax\\_amnesty\\_and\\_asset\\_repatriation\\_programmes\\_2017.pdf](https://knowledgehub.transparency.org/assets/uploads/helpdesk/Best_practices_in_tax_amnesty_and_asset_repatriation_programmes_2017.pdf).
10. Kazakhstan MOF Announces Tax Amnesty for Individuals. Bloomberg tax. Retrieved from <https://news.bloombergtax.com/daily-tax-report-international/kazakhstan-mof-announces-tax-amnesty-for-individuals>.
11. PWC Worldwide Tax Summaries. Retrieved from <https://taxsummaries.pwc.com/kazakhstan/corporate/other-issues>.
12. Signatories of the multilateral competent authority agreement on automatic exchange of financial account information and intended first information exchange date. Status as of 25

September 2021. Retrieved from <https://www.oecd.org/tax/exchange-of-tax-information/crs-mcaa-signatories.pdf>.

13. The Law of Ukraine “On Amendments to Tax Code of Ukraine and Other Laws of Ukraine on Stimulating De-Shadowing of Income and Improving Tax Culture of Citizens by Introducing One-Time (Special) Voluntary Disclosure by Individuals of Their Assets and Payment to Budget of One-Time Duty” No. 1539-IX, dated 15 June 2021 (“Tax Amnesty Law”).