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Article

Analysis of Existing Interagency Information Exchange Mechanisms in the Tax Sector

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Abstract: Interagency information exchange has become a core component of modern tax administration because tax authorities increasingly rely on information generated outside their own organizational boundaries. This article analyses the principal mechanisms through which tax-related information is exchanged among government institutions, financial institutions, businesses and other lawful data sources. The study distinguishes direct institutional exchange, centralized government platforms, application programming interface (API)-based and machine-to-machine (M2M) exchange, automated data matching, and cross-border information exchange. The analysis combines a conceptual review with evidence from the OECD, the Estonian Tax and Customs Board, the Australian Taxation Office, the U.S. Internal Revenue Service, and official materials concerning Uzbekistan’s tax-administration and interagency information infrastructure. The findings indicate that mature arrangements combine standardized data, secure identity management, governance controls, automated validation and analytical use. For Uzbekistan, the existing institutional direction toward an interagency integration platform and integrated tax information systems provides an important foundation, while further gains depend on interoperability, data-quality management, controlled automation, and measurable service and compliance outcomes.

Keywords: interagency information exchange; tax administration; data interoperability; APIs; data matching; data governance; digital government; tax information systems

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1. Introduction

Tax administration increasingly depends on information created, maintained or verified outside the tax authority itself. Employment records, financial transactions, business activity, customs information, electronic documents and public-sector registers can contribute to a more complete picture of a taxpayer’s economic activity. Digital transformation has therefore shifted attention from isolated institutional databases toward connected information ecosystems in which data can be exchanged and reused under defined legal and technical conditions [1].

The OECD’s 2025 review shows that more than 80% of surveyed tax administrations were developing APIs, while around 80% reported receiving data directly from taxpayer business systems beyond pay-as-you-earn information. Some administrations already receive information automatically through machine-to-machine exchange without human intervention [1]. Interagency and third-party exchange is therefore becoming an architectural element of tax administration rather than merely an administrative support function.

In Uzbekistan, official materials document ongoing interagency information exchange through integrated information systems and the government’s interagency integration platform. The 2025 statistical programme, for example, includes multiple planned electronic data exchanges involving the Tax Committee and other public bodies, while the Tax Administration Reform Project includes implementation of a new integrated information system for tax authorities [7–9]. These developments provide a relevant institutional context for assessing the maturity and limitations of existing exchange mechanisms.

The purpose of this article is to analyse existing interagency information exchange mechanisms in the tax sector, identify their principal strengths and limitations, and establish a structured basis for assessing their maturity. International practices are used as benchmarks, with particular attention to their relevance to the Uzbek context.

2. Research Approach and Analytical Framework

The study uses a qualitative analytical approach based on documentary review and comparative assessment. Primary attention is given to official publications and regulatory materials issued by tax administrations, the OECD and relevant public authorities. International examples are used as benchmarks rather than direct prescriptions. The analysis focuses on how information moves from an external source to a tax administration and how it is validated, matched, analysed and converted into administrative use.

Analytical dimension	Question addressed
Institutional arrangement	Who provides, receives, controls and uses the information?
Exchange channel	Direct, centralized, API/M2M, matching or hybrid?
Automation	Which stages require human intervention?
Interoperability	Can systems exchange structured information consistently?
Data quality	How are completeness, identity and timeliness controlled?
Security and governance	How are access, confidentiality and accountability managed?
Administrative use	Does data support pre-filling, compliance, services or decisions?
Scalability	Can the mechanism accommodate more institutions and data?

3. Existing Models of Interagency Information Exchange

Existing arrangements can be grouped into four broad models. The classification is analytical rather than mutually exclusive: tax administrations may combine several models depending on the data, legal basis and technical maturity.

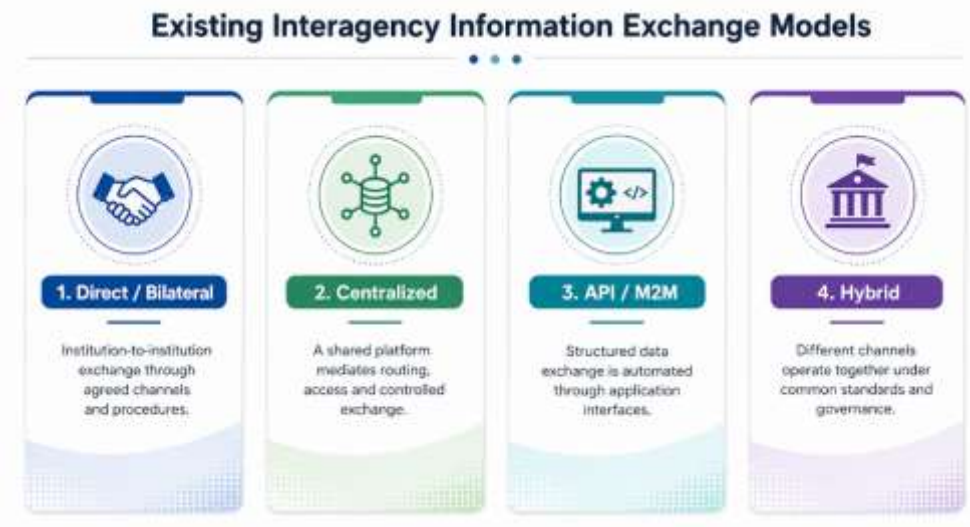


Figure 1. Existing Interagency Information Exchange Models. Source: author's analytical

synthesis based on [1].

3.1. Direct or Bilateral Exchange

Direct exchange is based on an agreed relationship between two institutions. Information may be transferred through dedicated interfaces, scheduled files or controlled electronic requests. Its principal advantage is clear responsibility; its main limitation is scalability as the number of participating institutions grows.

3.2. Centralized Exchange

A centralized model uses a shared government platform to route, authenticate and control information exchange. It can reduce duplicated integration work and create common access and logging rules, but its effectiveness depends on platform governance and the standards adopted by participating systems.

3.3. API-Based and Machine-to-Machine Exchange

API-based exchange enables systems to request or transmit structured information through predefined interfaces. M2M exchange allows data to move automatically between systems without routine human intervention. OECD data indicate that 83.3% of administrations in the relevant 2024 inventory reported that they develop APIs [1].

3.4. Hybrid Exchange

A hybrid model combines centralized platforms, direct exchange, APIs, batch transfers and other channels under common governance. It is useful where legacy systems cannot be replaced immediately and modernization must proceed incrementally.

4. Mechanism and Information Flow in Tax Administration

The effectiveness of information exchange depends on the complete data lifecycle. A useful sequence is source identification; secure exchange; identity resolution and standardization; validation and quality control; matching and analytics; and administrative use. OECD evidence emphasizes that data governance, confidentiality, security and data-quality standards underpin effective information sharing [1].

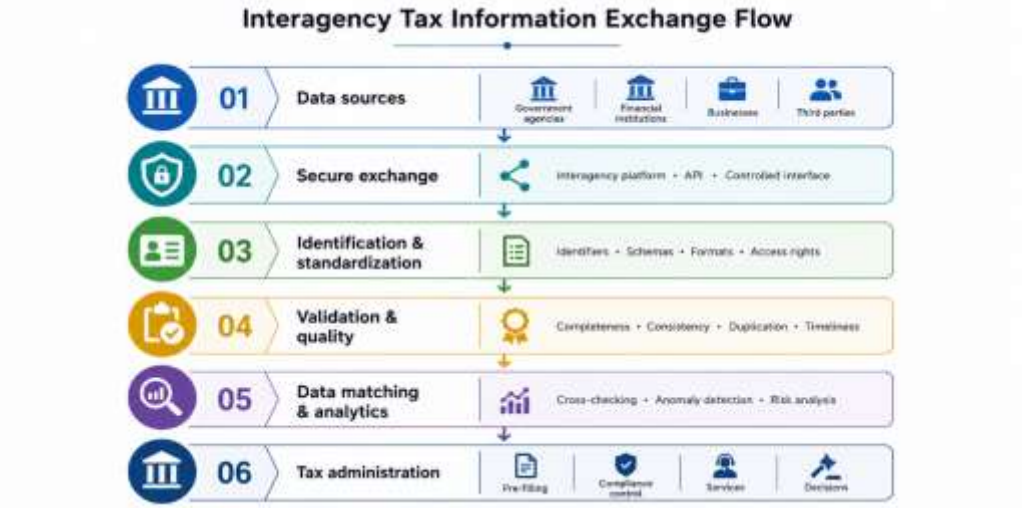


Figure 2. Interagency Tax Information Exchange Flow. Source: author's analytical synthesis based on [1].

The flow shows why an exchange mechanism should not be assessed only by whether data can be transmitted. A technically successful transfer can still have limited administrative value if the receiving system cannot identify the taxpayer reliably, interpret the data consistently, validate its quality or integrate it into an operational process.

5. Technical and Institutional Architecture

A mature architecture contains several layers. At the source layer, institutions and third parties generate information. The integration layer provides secure connectivity and routing. The governance layer defines identity, access, data standards, confidentiality and accountability. The analytical layer validates, matches and evaluates information. The administrative layer converts information into services, compliance actions or management decisions.

Layer	Typical functions	Principal control requirement
Data sources	Registers, financial data, business records, e-documents	Legal basis and source accountability
Integration	APIs, M2M, shared platforms, controlled interfaces	Authentication, authorization and logging
Data governance	Standards, metadata, quality rules, retention	Confidentiality, integrity and accountability
Analytics	Matching, validation, anomaly and risk analysis	Traceability and explainability
Administrative use	Pre-filling, services, compliance and decisions	Lawful purpose and human oversight

The institutional dimension is equally important. Exchange arrangements should define the purpose of sharing, participating entities, categories of information, access rights, frequency, data-quality responsibility, retention requirements and error-resolution procedures. Without these controls, technical integration can still produce fragmented accountability.

6. Comparative Analysis of Existing Mechanisms

The following comparison is an analytical assessment rather than a statistical ranking. Scores indicate relative capability under the stated criteria and are intended to support structured discussion.

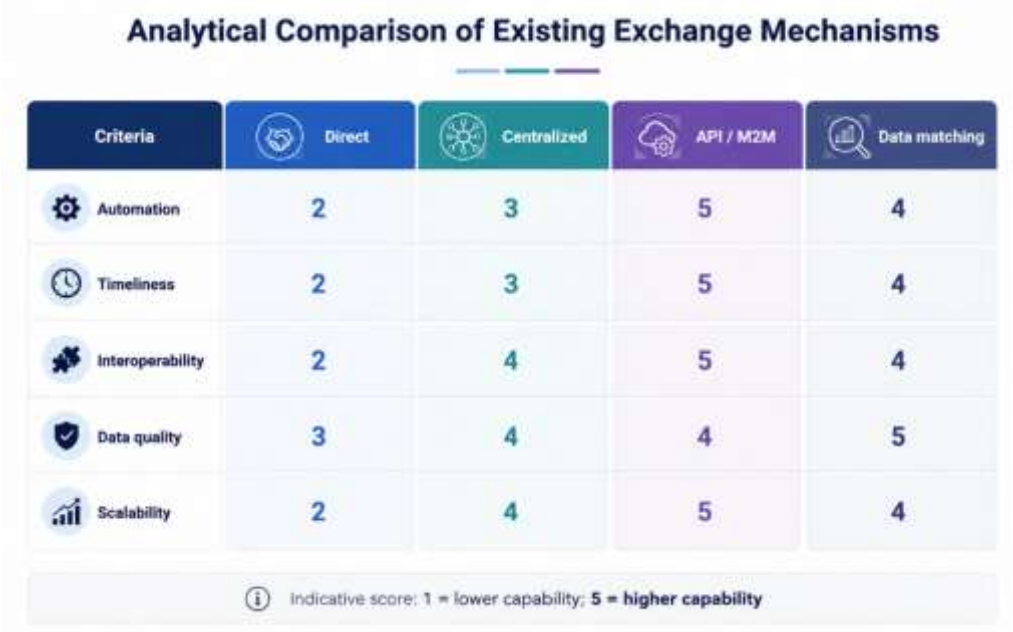


Figure 3. Analytical Comparison of Existing Exchange Mechanisms. Source: author's analytical assessment based on [1], [2].

Mechanism	Main strength	Main limitation	Best-fit use
Direct / bilateral	Clear institutional responsibility	Low scalability	Specific legally defined datasets
Centralized platform	Common routing and governance	Platform dependency	Multi-agency government exchange
API / M2M	High automation and timeliness	Requires mature standards	Recurring structured exchange
Data matching	Detects discrepancies	Identity resolution is critical	Cross-checking external and tax data
Cross-border exchange	Extends information visibility	Requires legal/technical frameworks	International tax risks

7. International Practices

7.1. Estonia: Pre-Filled Tax Information

The Estonian Tax and Customs Board provides pre-filled information in income tax returns. For 2025 returns, income data available to the authority are transferred into the pre-filled return, which taxpayers are required to review and complete where necessary [3]. The practice demonstrates how upstream information exchange can reduce repetitive data entry while allowing taxpayers to review and correct information before submission.

7.2. Australia: Data Matching

The Australian Taxation Office receives data from third parties and uses multiple identity-matching techniques, confidence outcomes and analytical processes to identify potential discrepancies [4]. Its documented matching process uses multiple identifiers and confidence outcomes, illustrating the importance of identity resolution in automated exchange.

7.3. United States: FATCA and International Exchange

The Foreign Account Tax Compliance Act provides a prominent example of international information reporting. The IRS explains that certain foreign financial institutions report information concerning accounts held by U.S. taxpayers or certain foreign entities with substantial U.S. ownership interests. The International Data Exchange Service (IDES) enables financial institutions and host-country tax authorities to transmit and exchange FATCA data with the United States in a secure, standardised electronic format [5, 6].

7.4. OECD Perspective

In 2024 data reported in the 2025 digitalisation review, 96.3% of administrations reported sharing data with other parts of government, while 96.3% reported receiving bulk information from other government agencies or having direct access to information held by them [1].

8. Uzbekistan: Existing Institutional and Technical Context

Official Uzbek sources document the use of the interagency integration platform and electronic interagency data exchange in several areas. The 2025 Statistical Programme, for example, provides for electronic data exchange through information-system integration involving the Tax Committee and other public bodies [7]. The 2025 budget-revenue framework also identifies the interagency integration platform as a channel for information exchange between the Tax Committee and Customs Committee [8].

The Tax Administration Reform Project further includes the implementation of a new integrated information system for tax authorities and the automation of core tax-administration processes [9]. Together, these sources indicate that Uzbekistan already has important institutional and technical building blocks for interagency tax information exchange.

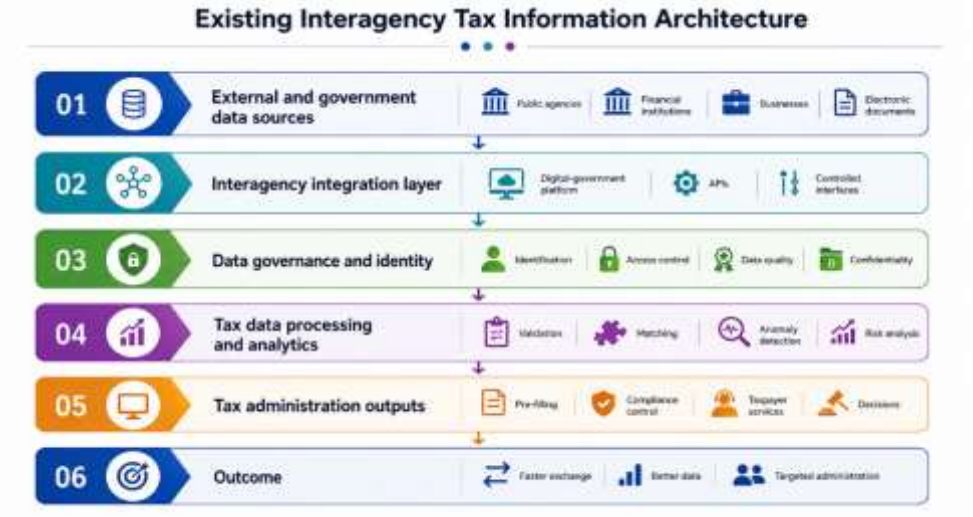


Figure 4. Existing Interagency Tax Information Architecture. Source: author's synthesis based on [7]–[9] and international evidence [1].

The available evidence should not be interpreted as a complete inventory of all tax-sector

exchanges in Uzbekistan. It confirms the existence of institutional and technical building blocks from which a broader interagency tax information ecosystem can be assessed. A complete inventory would require access to current system documentation, exchange registers, API catalogues and legally defined data-sharing arrangements.

9. Key Problems and Limitations

The analysis identifies several recurring challenges. First, interoperability is not equivalent to connectivity: systems may be connected while using inconsistent identifiers, schemas or business definitions. Second, data quality can become a bottleneck when information is incomplete, duplicated or outdated. Third, automated matching requires reliable identity resolution and confidence controls. Fourth, increased data access creates corresponding requirements for confidentiality, security, logging and accountability. Finally, legacy systems can make a fully standardized architecture difficult to achieve immediately.

Problem	Operational consequence	Recommended control
Fragmented standards	Manual transformation	Common schemas and metadata
Weak identity resolution	False or missed matches	Unique identifiers and confidence rules
Poor data quality	Unreliable analytical outputs	Validation and source-quality monitoring
Manual exchange	Delays and higher cost	APIs, M2M and workflow automation
Excessive access	Privacy and security exposure	Role-based access and audit logs
Legacy integration	High maintenance cost	API gateways and phased modernization

10. Recommendations for Strengthening Existing Mechanisms

The analysis supports gradual rather than purely disruptive modernization. Existing channels should be retained where operationally necessary, while new exchanges should increasingly adopt common standards and reusable integration components.

10.1. Establish a Common Data and API Standard

Adopt common identifiers, data schemas, metadata rules, error codes and API principles for recurring interagency exchanges. This reduces institution-specific integration work and improves the ability to add new data sources.

10.2. Strengthen Data Governance

Data governance should define ownership, quality responsibility, permitted use, retention, access and auditability. The objective is not simply to exchange more data, but to ensure that exchanged data remains trustworthy and appropriately protected [1].

10.3. Expand Automated Matching with Human Oversight

Automated matching can improve discrepancy detection and reduce manual review, but high-impact decisions should remain subject to appropriate controls. Confidence scores, exception queues and review procedures can reduce false positives and identity ambiguity.

10.4. Measure Exchange Performance

A monitoring framework should track exchange availability, processing time, data-quality error rates, successful match rates, duplicate records, manual interventions and security incidents.

Indicator	Suggested direction	Purpose
Automated exchange share	Increase	Reduce manual transmission
Data-quality error rate	Decrease	Improve reliability

Indicator	Suggested direction	Purpose
Successful identity-match rate	Increase	Improve analytical accuracy
Average processing time	Decrease	Accelerate administrative use
Manual interventions per exchange	Decrease	Increase automation
Security incidents	Minimize	Protect taxpayer information

11. Conclusion

Interagency information exchange is a foundational capability of digital tax administration. Existing mechanisms range from direct bilateral exchange and centralized government platforms to API-based M2M exchange, automated data matching and cross-border information reporting. No single mechanism is universally optimal. Mature tax administrations combine several mechanisms within a common architecture governed by standards, identity management, data-quality controls, security and clear institutional responsibilities.

International evidence demonstrates the practical value of this approach. Estonia illustrates the service benefits of pre-filled information; Australia demonstrates the compliance value of systematic data matching; FATCA demonstrates the potential of structured international reporting; and OECD evidence shows the growing role of APIs, direct data acquisition, data governance and government-wide information sharing [1; 3–6].

For Uzbekistan, official materials confirm ongoing interagency electronic data exchange and the development of integrated tax information systems [7–9]. The principal challenge is therefore not whether interagency exchange should exist, but how existing mechanisms can be made more interoperable, reliable, secure, measurable and reusable. A progressive architecture based on common standards, APIs and M2M exchange, robust data governance, automated matching and outcome-oriented indicators would provide a coherent basis for strengthening the existing system.

Declarations

Author contributions. The author is solely responsible for the conceptualization, methodology, analysis, writing, review and final approval of the manuscript.

Conflict of interest. The author declares no commercial or financial relationships that could be construed as a potential conflict of interest.

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