Jurisdictions can benefit from increased tax collections and reliability:
- Revenue to develop economies, supporting functional and inclusive societies
- Blockchain to improve efficiencies
- Transparency and accountability to foster
  - Better rules, policy & decision making
  - Trust in government

**COMPONENTS OF A BLOCKCHAIN-BASED TAX SYSTEM**

- **Data Privacy**
  - Confidential data not stored in central repositories or recorded directly on the blockchain
  - Cryptography & zero-knowledge proofs (ZKPs) to prove a value without conveying sensitive data

- **Interoperability**
  - Compatibility between new & existing systems
  - Accurate tax data & security measures across organizations

- **Collaboration**
  - Partnerships across governments (national, sub-national, municipal) & businesses
  - Consistent data ingestion & processes

- **Education of Taxpayers**
- **Security & Risk Management**
  - Secure technology and audited code to prevent data breaches and other risks
  - Consistent risk analytics & reporting, with KYC used in financial services
  - Expert security analysis and responsive systems

- **Ecosystem**
- **Digital Currency**
  - Enables taxable events and a targeted approach to them
  - Can be tokenized currency

- **Quality Data**
  - Data security, integrity, and availability, with adequate consensus protocols for validation
  - Data sourced from existing intermediaries with KYC programs
  - Legal responsibility & adherence to due diligence and information sharing standards

**Stakeholder participation in governance & design to enhance long term viability**
- Governance & board frameworks to define roles & incentive mechanisms
- Shared principles as guidelines that reflect participants' aspirations

**Better rules, policy & decision making**
- Trust in government