CHAPTER XXII

ADMINISTRATIVE RULE-MAKING PROGRAMS

Section A. *Character of the Underlying Statute*

2.1 *The precision of the statute itself*

The Netherlands does not have a tax code. Instead there are several tax statutes, each dealing with a specific tax. These statutes set out broad rules, generally applicable, with almost no deviations. The term income tax statute refers collectively to three major laws:

a. The Income Tax Law, *inkomstenbelasting*, covering the tax on the total net income of natural persons;

b. The Wage Tax Law, *loonbelasting*, covering the tax on wages; and

c. The Corporation Tax Law, *vennootschapsbelasting*, coving the tax on the profits of corporations.[1]

There is a fourth and less important statute dealing with the tax on dividends.[2]

A revision of Netherlands tax legislation, effective in 1966, is designed to clarify rather than alter provisions.[3] Important to this clarification process is the use of a Basic Statute,

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[1] The corporation tax statute has a few paragraphs dealing with specific institutions—i.e., banks, insurance companies—but these constitute very minor deviations from the normal pattern.

[2] The wage tax and the dividend tax both are withheld at the source and afterwards credited against the income tax. If income consists exclusively or almost exclusively of wages and does not exceed a certain annual amount (currently fixed at about f. 10,000), the wage tax covers all taxable income and precludes any additional assessment for income tax.

[3] It was not felt there was a need for many substantive alterations in the legislation itself. However, it was felt that there was a lack of organization and clarity, a consequence of the patchwork alterations made during and after World War II. In 1964, three statutes were enacted: *Wet op de inkomstenbelasting*, income tax; *Wet op de vermogensbelasting*, capital tax; *Wet op de loonbelasting*, wage tax. No new corporation tax statute was enacted. While the examples in the text are drawn from the pre-1964 legislation, both they and the comments about the Netherlands' statutory practices remain valid today.

Algemene wet, containing general principles relating to taxes levied by the Netherlands, *Rijksbelastingen*.[4] Since this statute sets out general statements dealing with subjects relevant to all or to certain categories of taxes, comparable statements in each of the several tax statutes may be deleted, thereby increasing intelligibility and producing greater uniformity. The Basic Statute deals with such general subjects as domicile,[5] returns,[6] the levying of taxes by means of assessment[7] and through withholding,[8] administrative and judicial appeal,[9] representation, secrecy,[10] and fines.[11]

It is also important to remember that, in the Netherlands, only the central government imposes income, wage, and corporation taxes.[12] Further, these statutes omit much detail, but do delegate legislative power to fill in the gaps. The delegation is accomplished by specific statutory provisions authorizing issuance of complementary rules and regulations. These regulations have the force of law when officially published in the *Staatsblad* or the *Staatscourant*. In consequence, hereafter the expression, substantive tax provisions, should be understood to include these published regulations but not other administrative directives without force of law.[13]

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[4] The Basic Statute was not changed in 1964. See note 2, *supra*.

[5] Basic Statute, Chap. I.

[6] *Id.* Chap. II.

[7] *Id.* Chap. III.

[8] *Id.* Chap. IV.

[9] *Id.* Chap. V.

[10] *Id.* Chap. VIII.

[11] *Id.* Chap. IX.

[12] In fact the lower administrative units (eleven provinces with some thousand odd communities) possess only a very limited power to levy taxes of any kind.

[13] It should be noted that the limits on delegation of tax law—which limits are reflected in the particular statute to which the delegation relates—have been repeatedly the subject of substantial differences of opinion, both in Parliament and among authors. Paragraph 188 of the Dutch Constitution—"Taxation in behalf of the Kingdom can be effected only by virtue of a law"—would be infringed upon if such delegation were carried to excessive limits. To date, however, both the legislative and executive branches of the government have followed a reasonable middle-of-the-road course.

The statutory enactments themselves, covering just substantive income tax, include only 153 paragraphs and cover only 57 pages of about 400 words each.[14]

A general description of how the net tax basis is established will illustrate the Dutch statutory approach. The income tax is levied on net income which, broadly speaking, includes only the total amount derived from several sources of income likely to have some degree of permanence—e.g., rental on a house, dividends from stocks, interest on bonds, wages and salaries from employment, and profits from commercial or industrial activities. *Net* proceeds from all sources of income are added together to constitute the aggregate *gross income*, from which are deducted items not directly related to any one component of gross income (i.e., interest on debts, premiums on life insurance). Operating losses resulting in a negative gross income in any of the six previous years also are deductible.[15] After computing the net income, allowance is made for expenses from illness or other adversity[16] and for a limited amount of charitable contributions.

A few relatively brief paragraphs set out the foregoing explanation of income, but many more paragraphs supply specific details. Illustratively, gross income is defined as the total of the net proceeds from three sources—(1) the taxpayer's activities in commerce, the liberal professions, or employment, (2) capital, and (3) certain life annuities. Each of these component parts of gross income is defined more specifically in subsequent paragraphs, totalling about thirty.[17] In addition to

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Tax Statute	*Number of paragraphs*	*Printed pages of 400 words*	*Basic departures from general tax pattern (rough estimate of percentage of sections)*
Income	68	28	10%
Wage	49	17	5
Corporation	36	12	15
Total	153	57	

[15] Included in this provision is a deviation from the prevailing pattern, which permits the permanent carrying-forward of losses where such are incurred during the first six years of a newly founded trade or industry.

[16] This is limited to those occurring in the taxpayer's immediate family.

[17] Trade and liberal professions require about fourteen paragraphs, employment seven. Proceeds of capital are defined in terms of movable and immovable capital, requiring two and three paragraphs respectively.

the statute, there are relevant paragraphs in the legislative regulations.

The Wage Tax Statute analyzes in detail the several aspects of the terms employment and wages. The Corporation Tax Statute, in defining the term profit, refers extensively to pertinent paragraphs of the Income Tax Statute (which defines profit resulting from a natural person's enterprise), and then takes account of variations required for holding companies, management trusts, insurance companies, etc.

On the whole, the statutory definitions of the net tax base are not overly detailed. It is difficult to determine whether this statutory approach tends to increase or reduce interpretative difficulties, when compared to other more detailed statutory descriptions which inevitably include more variations from a basic norm, with these additional variations creating the possibility of yet more interpretative difficulties. Be that as it may, for other reasons the legislature which accomplished the most recent statutory revision was probably wise in refraining from any attempt to supply all details in a possibly vain effort to reduce the number of interpretative difficulties.[18] While general language in any law does create uncertainty, excessive detail makes the statute needlessly complex and impractical, as well as rigid and inflexible, and not easy to adapt to social and economic changes, including changes in business expectations. The meaning of general language, on the other hand, can be evolved, through judicial science, to meet those changing circumstances. Two illustrations will suffice to indicate the tendency of more recent legislatures to retrench from detailed prescriptions.

The first involves the provisions which, from 1941 through 1950, set out quite detailed rules for computing profit, whether derived by an enterprise or from the exercise of a liberal profession. For example, it provided for the calculation of profits on stock, etc., by comparison of the capital at the end and at the beginning of the taxable year, as well as on the basis of the turnover, after deduction of expenses, and so on. In 1950 the legislature redefined profit and annual profit in the following general terms:

> Profit is the aggregate of gains achieved, under whatever name or form, from enterprise or liberal profession.

[18] Such detailed paragraphs might operate as case law, involving arguments *a contrario* when interpretation become necessary, to say nothing of the obvious lack of flexibility under changing social conditions.

> Annual profit is calculated in accordance with good merchant's usage, with observance of a consistent line of conduct (policy) irrespective of envisaged results, and which can be altered only when justified by special circumstances.[19]

Observe that this definition does not address itself to details relating, e.g., to the evaluation of stocks and merchandise, to the effect on profit of an increase in the value of stocks arising from monetary depreciation or of an increase in reserves because of such depreciation, to the point of time at which profit is made (i.e., when the goods are delivered or services rendered, or when payment is received), or to the circumstances under which a merchant may change his method of computing annual profits. Many of these matters have been dealt with, however, by the Supreme Court of the Netherlands, *Hoge Raad der Nederlanden*, in decisions which supplement the written law, but which in hard cases need not lag behind changing circumstances. While judicial decisions fill in the gaps, the Dutch legal system accords no *official* precedent value to any judicial decision.[20]

A second illustration involves the costs deductible from the proceeds of the several sources of income before totalling these proceeds.[21] Whereas the old 1941 statute, after stating a general rule, went on to list examples falling in six different categories, the new bill repeated the general rule but omitted most of the earlier stated examples. The former approach had produced innumerable problems during the rapid post-World War II changes. For example, in the face of the long list of examples, what treatment should have been accorded commuting expenses? Should the crucial point be the business interests of the commuter, the housing shortage, or his personal preference for living in the country? Ultimately the Supreme Court

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[19] *Besluit op de inkomstenbelasting* (1941) ¶¶ 6 and 7 (superseded by *Wet op de inkomstenbelasting* (1964) ¶¶ 7, 9). The few additional paragraphs (true also before 1950) defining depreciation and reserves which may be taken into account in calculating profits are not relevant here.

[20] A case may arise later involving the same issue and the Supreme Court is free to overrule its earlier opinion, though in practice this occurs almost never. See Chap. XXIV, 4.4 *infra*. Many times in subsequent decisions dealing with the same issue, the Court will refine or sharpen its position.

[21] These costs are referred to in the statute as costs incurred for the acquisition, cashing, and retaining (*verwerving, inning et behoud*) of the proceeds, and the charges attributable to those proceeds.

was able to develop standards from which emerged a workable overall concept of the system to be followed, despite the hindrance to logical interpretative development provided by so many statutory details.

It is impossible to determine the annual number of interpretative controversies, especially those regarding questions of law or mixed questions of law and fact. Many such problems are resolved by the tax inspector and the taxpayer.[22] Also, often an issue originally thought to involve a mixed question of law and fact eventually proves to be entirely a question of fact, and thus loses entirely its interpretative character. Finally the decisions of the Chambers for Tax Procedures are published only when considered to be of real significance to taxpayers and tax experts. Hence the *number* of the *published* decisions bears no relation to the *number* of *all* decisions involving interpretative issues. Nevertheless, it is undoubtedly true that pure questions of law arise much less frequently than questions of fact or questions of a mixed character.

2.2 *Legislative pre-enactment aids to interpretation*

Once a government-sponsored bill has been drafted,[23] the Queen requests advice from the Council of State.[24] Assuming the Council approves, the Queen submits the bill to the Second Chamber of the States General,[25] accompanied by an explanatory note signed by the appropriate Minister (in tax matters, the Under Secretary of Finance).

The Second Chamber refers the draft of the tax bill to its Committee on Finance, the members of which have expertise in tax matters. After thorough examination, the committee prepares a Preliminary Report which sets out the members' comments, criticisms, and suggestions, as well as questions. This

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[22] The number of such adjustments is unavailable.

[23] Constitutionally, a bill may be presented by a member of the Second Chamber on his own initiative. This right, however, is almost never exercised.

The Second and First Chamber form the States General *(Staaten-Generaal),* a name which dates from 1464 although the institution itself has been changed over the centuries. The Second Chamber consists of 150 members, elected for four-year terms directly by the people in general elections. The First Chamber consists of 75 members elected by the Provincial States, which are elected directly by the people.

[24] The Council of State is a nonpolitical body of "wise men" whose deliberations are not published.

[25] See note 21, *supra.*

report is referred back to the Under Secretary of Finance who reconsiders his draft bill and returns it with a written Note of Answer, signed by the Minister of Finance, typically accompanied by a Note of Alterations proposing modifications in line with the recommendations embodied in the Preliminary Report. At this point, an oral exchange of views frequently occurs between the Minister or Under Secretary and the Committee on Finance.[26] This oral exchange is incorporated in a report, in most cases with a second Note of Alterations. Frequently the government prepares additional Notes of Alterations. Whatever their number, the totality of these written documents are published officially without delay. They constitute a full record of all proceedings prior to oral debate on the bill by the Second Chamber itself.

During that debate, the bill is subjected to criticism by representatives of the several political parties, the defense being led by the Under Secretary of Finance. Circumstances may lead the government to withdraw the bill. Or members of the Second Chamber may only urge alterations in the bill as presented, in some instances requesting that the government reconsider certain points, in others proposing their own amendments. Members proposing such amendments on their own initiative will have already secured informal technical assistance on the wording from the tax administration's Directorate (Legislation: Direct Taxes). If the Minister of Finance or Under Secretary approves the proposed amendments, the text as prepared by the tax administration will be incorporated in the government's own draft.[27] Alternatively, the amendments may be placed before the Second Chamber for enactment or rejection.

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[26] It is possible that the Second Chamber will close the preliminary work on the draft without an oral exchange. Such omission, however, is unusual in the case of a new statute or an important change in existing law. It is usual where there is only a small change in an existing statute. Sometimes where the change is very minimal, the Minister makes only a *Voorlopig Verslag* and does not produce a *Memorie van Antwoord.*

[27] It is possible that a proposed amendment would make such a structural or financial change in the original draft of the bill as to render it unacceptable to the Minister of Finance and the Under Secretary. Their conclusion, that a given amendment would make the bill unacceptable, may lead them to consider resignation should the Second Chamber pass the amendment. In instances of major importance, the entire Cabinet might consider resignation. However, it is more likely that their bare statement, that the amendment is unacceptable, would lead to its withdrawal.

Not infrequently, a bill is altered substantially in the course of legislative discussion.

A bill which passes the Second Chamber has survived its prime challenge. The First Chamber cannot amend; it must accept or reject any bill in its entirety. Very rarely does the First Chamber fail to pass a bill enacted by the Second Chamber. However, the First Chamber subjects the bill to a process roughly equivalent to that of the Second Chamber.

After enactment by the First Chamber and royal assent, the new law is published in the *Staatsblad*, and typically takes effect within twenty days after publication unless the law itself specifies another period.

All documents referred to above are published, as is also a verbatim account of the treatment accorded the bill by both chambers in the States General. Taken together, this legislative history is most useful in interpreting the statute. This utility, however, especially where interpretative issues are concerned, is a byproduct; the States General do not have a policy here. On the other hand, traces in the sand frequently are left very deliberately. The Minister may give some examples to make clear his intentions about the law. If subsequent debates show definitely that the legislature approves his interpretation, the courts would be highly reluctant to disregard it.

The precise role of this legislative history is discussed in the next subsection, but that role, it should be observed, is not static. The law tends to establish a life of its own, for it must deal with circumstances unforeseen or ignored by the legislature. As time passes, both writers and the courts tend to place less emphasis on the intention of the law*maker* and more on the intention of the *law*, in the belief this is a more objective criteria.[28]

2.3 *Standards of construction followed by the judiciary in interpreting the statute*

Theoretically, the standards of interpretation used with respect to tax statutes do not differ from those applied in the

[28] This is a sound development. To look for the intention of the *lawmaker* seems next to impossible, in view of all that is written and (especially) said during the legislative processing by various people, not one of whom can be identified with *the* lawmaker, i.e., the government and the people's representatives, the States General. To consider as constant, the lawmaker's intention throughout the constantly changing life to which the law must be applied, is to misunderstand the function of a statute. Admittedly, wise interpretation of particular paragraphs of a statute may be assisted by examining what was written or said about the intention of the government, the Chambers, etc.

case of other nonpenal statutes. In fact, however, until after World War I, the consensus of Netherlands opinion was that tax statutes should be construed strictly to establish, if not a literal interpretation, at least a barrier against loose interpretation and *a fortiori* application of the law by analogy. This conception now has been abandoned.[29] Concurrently with this more recent trend in the direction of a more flexible interpretation, there is a growing tendency to consider tax law as autonomous in at least one limited sense. A particular construction followed by the civil law is not deemed conclusive in interpreting a word, expression, or concept also used in the tax statute (e.g., immovable property, alienation, sustenance, nullities in *fiscalibus*). Instead various other factors are taken into account to determine the tax meaning of the word, expression, or concept.[30] It is now believed that this approach is not actually to be distinguished from the approach followed in construing the civil law itself. Indeed the Supreme Court has said that the tax law is to be approached "not in conformity with some special method of interpretation, but in the same way as in civil law,"[31] and thus "no literal construction, but a construction on the basis, *inter alia*, of the *ratio legis*."[32] Thus, a reasonable application of the particular provision under consideration is the cornerstone of its interpretation and decision.

To this end, the courts now avail themselves of every possible device (historical, textual, teleological, etc.). The word *rechtsvinding*, finding the law, perhaps best indicates the objective of this open system of interpretation, to get at the purport of any given provision. Thus, no longer does it follow, *a priori*, that questions bearing on the includability of an item in gross income should be approached in one manner while a different approach is used in deciding whether a given expense is deductible.

There is no official ranking of the weight the courts are to accord various sources. Consequently, the courts may accord

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[29] This concept perhaps was buttressed by what is now generally conceded to have been a misinterpretation of paragraph 188 of the Netherlands Constitution.

[30] In this respect, the Dutch approach is less narrow and dogmatic than those employed in France or Belgium.

[31] Decision of the *Hoge Raad*, February 27, 1935, B5801, WPNR 3417.

[32] Decision of the *Hoge Raad*, June 15, 1921, N.J. 1921, 983, PW 11561.

consideration to whatever factors they consider most important. Illustratively, at the beginning of a statute's life, the pre-enactment materials will receive greater attention than will later be true.

Section B. *The Regulations Program*

2.4 *Types and force of regulations*

As noted previously, the Netherlands delegates legislative authority in matters of minor importance. Under the authority so delegated, legislative regulations are issued either by the Crown or by the Minister of Finance and, when officially published, have the status of legislation.[33]

The tax administration also issues many kinds of other directives. In these, the tax administration reflects its interpretation of given statutory paragraphs.[34] Since these interpretations were carefully considered by the Finance Minister and his staff, Tax Inspectors—as members of the hierarchy—are bound, *hierarchically* not *legally*, to follow the directives. However, these do not bind taxpayers or judges, though the latter, knowing the directives were carefully considered by the administration, do not discount them completely. Not infrequently, however, the Supreme Court or a court of appeal will take a position contrary to the interpretation issued in a directive addressed to tax officials. Should this occur in a Supreme Court decision, the Minister of Finance usually alters the tax directive in question, and so informs personnel within the tax administration.

2.5 *Precise purpose of interpretative regulations*

Apart from legislative regulations which a given statute authorizes to fill in statutory gaps, so-called interpretative regulations, having the stature and coverage of those used in the United States, are not to be found in the Netherlands. The

[33] Unlike the situation in the United States, neither the tax administration nor the Under Secretary of Finance has either general or specific authority to provide by regulation ordinary *interpretations* of the statute. The inspectors are bound hierarchically to interpret the statute in accordance with the instructions from the tax administration, but these instructions have *no* other binding force.

[34] In preparing directives of this type—most usually when a new statute has been enacted or an old one amended—the tax administration uses every method of interpretation in trying to reach a proper interpretation.

closest analogy is in the Dutch administrative directives program. These directives bind the tax inspector within the official hierarchy, without prejudice, however, to his right to attempt to have the directives amended. These directives strive primarily to reword obscure statutory language, give concrete examples of their application, or solve basic interpretative or controversial problems. The more wide ranging scope of this program, compared with the legislative regulations program, is evident in the following tabulation:

Number of Pages Covered—Average of 400 Words to a Page

Type of Tax	*Uitvoeringsregelen* (*Legislative Regulations*)	*Leidraden* (*Administrative Directives*)
Income	28	141
Wage	38	35
Corporation	16	48
Total	82	224

2.6 *Manner of processing regulations*

Both legislative regulations which possess the force of law, and administrative directives which bind only personnel within the tax administration as a matter of hierarchical control, are prepared in the department of the Director-General of Tax Affairs by staff members with an educational background at the university level. However, legislative regulations are submitted for the approval of the Under Secretary and, following publication, became an official part of the law.

There is no formal provision or recognized practice for soliciting an expression of non-government opinion prior to formalization of the regulations and directives. However, the Minister on his own initiative may decide to consult with groups particularly interested.

Section C. *The Rulings Program*

2.7 *Formal advance private written rulings to taxpayers*

The Netherlands Internal Revenue Service does not issue unilateral, binding, private written rulings to taxpayers covering proposed transactions. Nor is it possible to enter into a legally binding closing agreement in such cases.

Repeatedly the Dutch Supreme Court has held that any agreement between the tax administration and a taxpayer lacks binding force and legally provides no certainty to either party.

Indeed, even if an inspector and a taxpayer have agreed upon the depreciation to be allowed for a particular piece of industrial equipment in a given year, the taxpayer remains free to argue for the use of another method in a subsequent—or even the same—taxable year if he concludes that the agreed upon method of calculation is contrary to the statute.

The only agreements which the Supreme Court will uphold are those which establish a value at issue between the parties and do not require interpretation of a statute. For example, if the value of a parcel of realty in a given year is in question, the inspector and taxpayer may choose two experts, and agree that the average of the experts' estimates will bind both parties.

The various limitations described above reflect theory, however, not the actual practice. Daily, throughout the country, agreements are made between the local offices and the taxpayer or his practitioner, with a view to fix the exact amount of tax liability. Many controversies over issues of fact or of law are settled, i.e., compromised between inspector and taxpayer. This settlement has no legal status; but since it is a gentleman's agreement, the result is reliable and the system has seemed to work well in practice. Usually the compromise is developed between the taxpayer and the inspector, without the interference of a higher official. However, prospective situations involving more complex issues or greater amounts of money (e.g., a proposed merger or corporate reorganization) may lead a taxpayer to seek optimum certainty. After a written memorandum and all the relevant documents have been presented to the local inspector and have been discussed with him, the taxpayer may take the initiative in the mutual decision reached by the inspector and the taxpayer to raise the matter at the national office level. In that event, the national office, after consulting with the local office, will make a thorough analysis of its own and may hold extensive discussions with the taxpayer. In due course, the taxpayer will receive a letter from the Ministry, outlining the tax consequences of the proposed transaction if carried out as described by the taxpayer.

This practice grew out of the administration's belief that a taxpayer, who is interested in a complex and possibly controversial type of prospective transaction, ought not be forced to abandon the transaction because of tax uncertainties. However, since taxpayers have no legal right to such a decision from the Minister or, for that matter, even from an inspector,

there are no formal rules of procedure governing the practice. Further the fact that there is such a practice does not mean that just any taxpayer can raise just any issue directly with the Minister. Indeed, an ordinary taxpayer who writes the Ministry, requesting a decision on a dispute between him and his inspector regarding an assessment normally will receive a prompt answer to the effect that, if the taxpayer considers the assessment incorrect, the matter is properly the concern of a Court of Appeal. Again, should a tax expert or a corporation inquire concerning the tax consequences of a contract seemingly inspired by the tax avoidance possibilities, the national office's response is not likely to prove helpful. In other words, the tax administration exercises complete discretion in deciding whether to rule in advance in any given case, and whether it will do so at the local or national levels.

The lack of statutory authorization for these rulings, settlement, and compromise activities has not made them less effective. Actions before the Court of Appeal rarely disclose evidence that a compromise agreement—which the court would be free to disregard—has been breached. This satisfactory, if extralegal, state of affairs is the prime reason the Under Secretary of Finance declared a few years ago that he saw no need for legislation authorizing and regulating formal closing agreements. That conclusion was clearly warranted, given the existing practices, certain recognized qualities of Dutch character and the high standards of the Internal Revenue Service inspectors, and the difficulty of designing a regulatory statute which would adequately respond to the many diverse aspects of which account must be taken if the practices are to be implemented wisely.

2.8 *Informal technical advice to taxpayers on proposed transactions*

It is not known how often taxpayers seek informal advice from the local inspectors on the consequences of proposed transactions. It is common practice, however, for both local and national levels to discuss freely with taxpayers the alternatives available in shaping a proposed business transaction, to the end of helping the taxpayer achieve the most favorable tax consequences. Should the inspector himself be in doubt about a question, he is likely, particularly in the case of a substantial financial matter, to request advice from the District Director, who in turn may refer the question to the Ministry.[35] In

[35] In practice, only the important cases of large taxpayers are carried to the national level.

the end, what began as an informal discussion may conclude with written advice. In either event, in actual practice, the inspector will feel bound despite the absence *in law* of official status for the advice. A gentleman's word has been given.

2.9 *Technical advice to field offices*

From the foregoing, it should be clear that local offices are permitted—though not encouraged—to request the higher echelon (i.e., the District Director) to indicate the appropriate stance with respect to a specific situation. Should the Director, in turn, request such advice from the national office, the response, commonly given in writing—not by telephone—is prepared by the staff of the Director-General of Taxes.

2.10 *Publication of technical advice given to taxpayers and local offices*

Interpretative positions taken by the Ministry in response to requests for advice in specific cases are not likely to be published except where the matter is one of general interest.[36] Illustratively, the Ministry would be likely to publish the answer to an inquiry by a life insurance company about the fiscal consequences of certain clauses in an insurance policy. The in-service publication will take the form of an administrative directive to lower echelon personnel. Outside publication will be accomplished by releasing the full text of the directive to tax periodicals. Usually, a published directive will set forth the underlying rationale.

Despite this practice of publishing the most important decisions, there is no formal publication program. Indeed there is no formal system of administrative rulings. Substantive technical rulings in the field of income, wage, and corporation taxes probably total less than a hundred a year, with about forty a year being published. This, of course, represents only a very small part of all the Ministry's decisions on matters sent up by the inspectors. Many such decisions, however, owing to the peculiar factual circumstances of the cases, have the limited character of *jus in causa positum*.

Despite the limited publication program, the inspectors very swiftly learn, albeit informally, the stance taken by the Ministry in particular situations. There is a high degree of cooperation and a continuing exchange of information as well as views and opinions.

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[36] Publication would be in the form of an incidental bulletin.

In addition to the important administrative decisions of general interest, the national office intermittently informs inspectors and tax periodicals also of decisions taken in so-called hardship cases. The purpose is to alert taxpayers to the types of hardship cases where favorable decisions may be expected, either from the national office, or if power is delegated, from the local or district offices.