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**CENTRE FOR TAX POLICY AND ADMINISTRATION
GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX
PURPOSES**

Note on the 2023 Asia Initiative's work plan

Fourth Asia Initiative Meeting
27-28 April 2023
New Delhi, India

The Bali Declaration was endorsed by 17 Asian members of the Global Forum, who have agreed to facilitate the implementation of the tax transparency standards, maximise their effective use to tackle tax evasion and other illicit financial flows, and increase tax co-operation among Asian members.

To implement the objectives set out in the Declaration, a note proposing the 2023 Asia Initiative's work plan is submitted for discussion and adoption by the members of the Asia Initiative (the Members).

Members adopted the Note on Thursday, 27 April 2023.

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1. Background

1. In 2020, the world has undergone an unprecedented crisis resulting from the COVID-19 pandemic, which has put a spotlight on equity challenges that existed well before the pandemic and hence intensified the public perception that tax evasion and other illicit financial flows (IFFs) are no longer acceptable. In closing the existing capacities gaps, governments may be put in better position to recover and collect the much-needed revenue.

2. Despite the need for countries to collect more revenues, participation of Asia in the multilateral efforts towards tax transparency is uneven. Only 22 countries (65%) in the region have joined the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and committed to implement the tax transparency standards (Transparency and Exchange of Information on Request (EOIR) and Automatic Exchange of Financial Account Information (AEOI)), and only 16 Asian countries (47%) have so far committed to start AEOI by a specific date¹.

3. Against this background, the Global Forum announced end 2021 a new initiative for Asia. Building on the success of other regional initiatives, the Asia Initiative was devised as a capacity-building programme to address the specific needs of its Asian members having regards to their specific circumstances.

4. In accordance with the Note “Asia Initiative – Governance Proposal” [[CTPA/GFTEI/ASI\(2022\)2/FINAL](#)], the Initiative is set up to support the implementation of the high-level objectives of the Declaration endorsed by the Ministers of Finance of Asian members of the Global Forum. To implement such objectives, a work plan and activities should be defined, their implementation monitored, and the progress achieved measured and reported.

5. To that end, the “Note on Plan of Activities for the Asia Initiative” [[CTPA/GFTEI/ASI\(2022\)4/FINAL](#)] setting up a high-level work plan of activities based on baseline activities and complementary activities was agreed on by the Members on 1 September 2022.

6. In order to measure the level of priority of Members have ranked each complementary actions as high, medium or low depending on the importance they currently give to them.

7. This note proposes a work plan for 2023 based on the inputs received from Members.

2. Proposed 2023 Asia Initiative’s work plan

Baseline actions

8. The baseline actions aim at ensuring that all Members:

- participate to the Convention on Mutual Administrative Assistance in Tax Matters (MAAC)
- set up an efficient function for exchange of information (EOI), to effectively implement and benefit from the international EOI standards, monitor its activity and, to the extent possible, measure the impacts and benefits of EOI in revenue mobilisation
- effectively implement the EOIR standard, including the beneficial ownership requirement
- effectively implement the AEOI standard at an appropriate date to be defined in partnership with the Global Forum Secretariat
- build EOI capacities among tax auditors and EOI officers and encourage them to make use of EOI tools to improve tax compliance.

¹ Developing countries that do not host financial centres are not asked to commit by a specific date.

They aim also at reaching out to Asian countries which are not yet members of the Global Forum and at raising awareness in the region on the benefits of the implementation and the use of the tax transparency standards.

9. In addition to the bilateral technical assistance provided by the Global Forum Secretariat and its partners to the Asian jurisdictions to implement the EOI standards and join the MAAC, it is proposed to carry out the following activities in 2023:

- **Activity 1:** Experience-sharing workshop on tools and best practices to monitor the impact of EOI on revenue collection.
- **Activity 2:** Workshop on ensuring transparency of beneficial ownership (BO) information and its effective use for domestic resource mobilisation
- **Activity 3:** Regional training seminar for tax auditors and EOI officials on the effective use of EOI and a technical seminar of the concept of foreseeable relevance.
- **Activity 4:** New "Train the Trainers" programme for Asia to build a local and sustainable training capacity.
- **Activity 5:** Invitation of relevant non-members Asian countries to attend Asia Initiative trainings and high-level meetings.
- **Activity 6:** Participation of the Co-Chairs and/or the Global Forum Secretariat in relevant events to promote the Asia Initiative and the benefits of tax transparency.

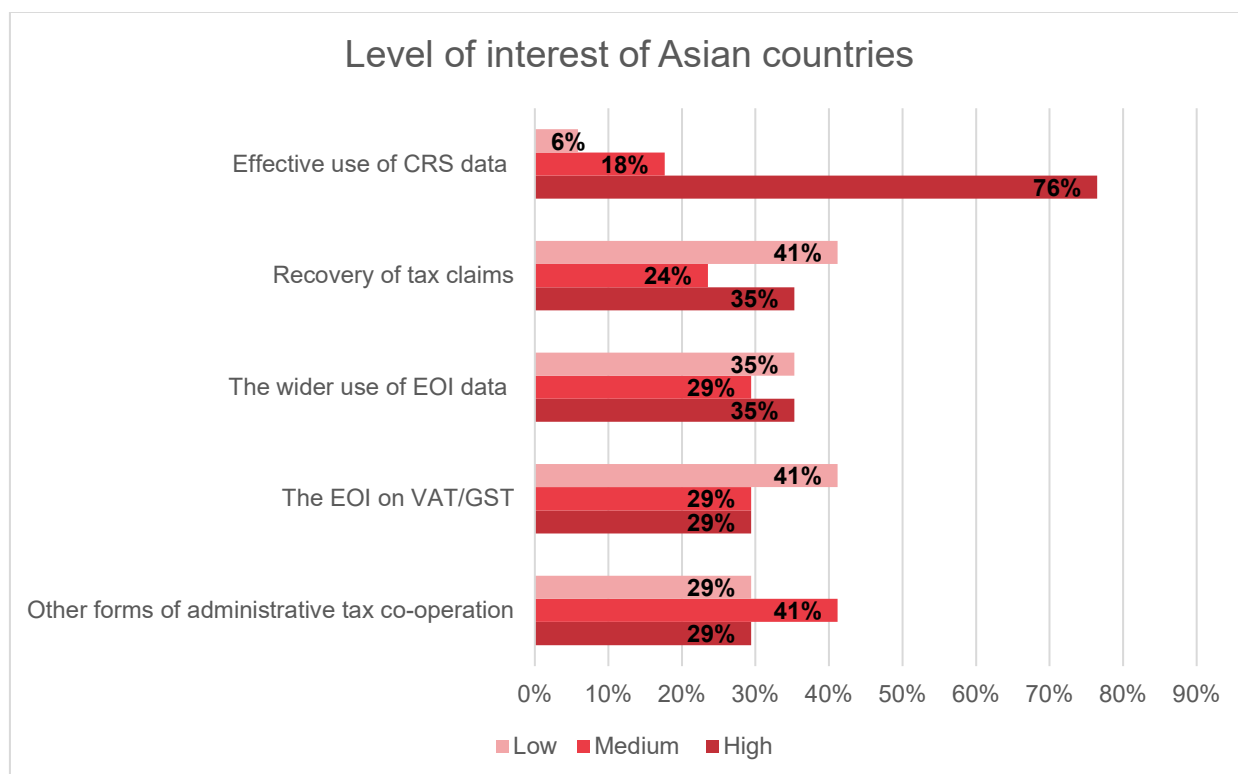
Complementary actions

10. The complementary actions aim at helping interested Members make use of the other co-operation possibilities offered by the MAAC, on an optional and bilateral basis. The potential complementary activities are:

- the wider use of EOI data
- the effective use of data received automatically under the Common Reporting Standard (CRS)
- the recovery of tax claims
- the EOI on Value Added Tax/Goods and Services Tax (VAT/GST)
- other forms of administrative tax co-operation as provided by the MAAC, such as spontaneous EOI, simultaneous tax examination and tax examination abroad
- any other area agreed by the Members.

11. In order to prioritise the complementary activities to be carried out, a questionnaire was sent on 1 February 2023, asking Members to rank these activities as high, medium or low ranking depending on the importance they currently attribute to them.

12. Responses appear in the figure below:



13. While the effective use of CRS data clearly shows as the first priority activity for the vast majority of the members, the other complementary activities obtained more or less the same ranking, not making one activity stand out from the rest. In addition, some Members indicated that they would also be much interested in activities aimed at ensuring compliance of financial institutions with their CRS obligations.

14. Accordingly, it is proposed that the Asia Initiative's work plan therefore focuses on the following activities:

- **Effective use of CRS data:** this is the first priority for members. A working group will be established to identify the main challenges and explore possible solutions, including sharing of best practices and experience. It could cover for instance data treatment with the cleansing, matching and unmatched data, interpretation of the data, risk analysis and data analytics, as well as tax compliance activities.
- **Recovery of tax claims:** as a first step, the work carried out by the Africa Initiative in this area could be presented, as well as the approach taken and the tools that are being developed under this Initiative. Then, interested Members could decide on further work in this area.
- **Wider use of EOI data:** building on the work carried out by the Latin America Initiative (the Punta del Este Declaration), a first activity could be to unpack the tools developed to facilitate wider use of EOI data, including to ensure adequate confidentiality and data safeguards. This would allow interested Members to decide on further activities in this area.
- **CRS compliance framework:** capacity-building activities on monitoring and supervision of reporting financial institutions in the performance of their due diligence obligations would particularly be considered. In addition, the programme launched last year to assist members of the Global Forum which expressed their interest in receiving assistance to implement effective strategies for compliance will continue bilaterally, as it is the basis for an effective compliance framework.

- The EOI on VAT/GST: a meeting could be organised to identify the specific issues related to EOI for VAT/GST purposes, that would inform further activities in this area.
- Other forms of administrative tax co-operation: it is proposed at this stage to organise a capacity-building event to present these advanced forms of administrative co-operations.

15. Irrespective of their level of interest in an activity, Members are free to attend any of the above activities.

Proposed upcoming Asia Initiative's work plan

16. The table below present the main events and activities foreseen at this stage for the Asia Initiative.

Activity	Format of the event	Timeline
Training seminars for tax auditors and EOI officials with a regional last mile seminar	In-person training seminar in India	14-17 March 2023
Experience-sharing workshop on tools and best practices to monitor the impact of EOI on revenue collection	Virtual workshop	Q2 2023
Effective use of CRS data	Setting up of a working group	Q3 2023
Regional seminar on the concept of foreseeable relevance	In person training in India	September 2023 (week of the 11 or the 18)
Experience sharing events on wider use and assistance in recovery of tax claims with Africa and Punta Del Este Initiatives	Virtual or in person events	Q4 2023
Workshop on ensuring transparency of BO information and its effective use for domestic resource mobilisation	Virtual or in person workshop	Q1 of 2024
Technical experience-sharing events on effective use of CRS data	First virtual event	Q1 2024
The EOI on VAT/GST	Virtual or in person meeting to discuss specific issues related to EOI for VAT/GST purposes.	Q1 of 2024
Capacity-building event to present advanced forms of administrative co-operations.	Virtual workshop	Q1 of 2024

High-level Meetings		
Fourth high-level meeting of the Asia Initiative	High-level meeting to be hosted in person in India	27 to 28 April 2023
Fifth high-level meeting of the Asia Initiative	High-level meeting to be hosted as an in-person side event of the Global Forum Plenary meeting	27 November to 1 December 2023, Lisbon, Portugal
Outreach activities		
Participation of the Co-Chairs and/or the Global Forum Secretariat in relevant events to promote the Asia Initiative and the benefits of tax transparency.	For instance, annual meetings of ADB, SGATAR, and other regional or international meetings relevant for tax transparency	As and when happening

17. Beyond the proposed upcoming Asia Initiative's events and activities, the Global Forum and its partners may also propose other capacity-building events at the global and regional level which will also benefit Asian countries.

Questions for Delegates

Do delegates agree with the proposed upcoming Asia Initiative work plan?