



## Editorial

Duncan Onduru, Executive Director

Earlier this month, the Finance Ministers of the G7 made pronouncements that have been hailed as a boost to the ongoing discussions (negotiations) on the global tax architecture with regard to the taxation of the digitalized economy. The G7 proposed a minimum tax rate of 15% while further proposing that 20% of the profits made by the eligible MNEs (above 10%) be allocated to market jurisdictions.

The G7 statement certainly carries weight - would it impact/sway the ongoing negotiations given their economic/political might? It is hoped that ultimately not the G7 nor the G20 will have the final say. Many jurisdictions still see the Inclusive Framework (IF) as the best platform for reaching consensus as its composition is quite broad and representative. However, geopolitical and economic dynamics may prove the opposite.

CATA acknowledges and appreciates the current OECD/IF consultative process that seeks to accommodate a wide cross-section of views on the present debate. To this end, CATA, in collaboration with the Pacific Island Tax Administrators Association (PITAA) and the Caribbean Organisation for Tax Administrators (COTA), recently held joint workshops facilitated by the OECD to update member countries on the status of the BEPS discussions as well as receive feedback from these countries.

Such consultative fora are of critical importance in helping countries to decipher the contents of the nearly 500 pages of the OECD Blueprints on Pillar 1 and 2, whose complexity leaves the reader wondering if there could have been a more straightforward alternative.

Regardless of the final outcome of these discussions, the cardinal principles of a good tax policy should be the winner - simplicity, certainty and administrability. Tax literature counsels us that a policy that envisages/encourages disputes is a bad policy; an unduly complex tax structure is not only an additional cost to the tax administration but also to the taxpayer as these structures impact compliance.

The costs may be proportionately high for the low-income jurisdictions, particularly the small island developing states (SIDS) due to their 'smallness' and 'islandness' that renders them highly vulnerable to external shocks (like the shocks that may arise from global corporate taxation). Already these jurisdictions are in the process of implementing various BEPS initiatives like abolishing harmful tax regimes and committing to greater transparency.

The international tax architecture should be modelled in such a way as to help countries recover quickly from the effects of the COVID-19 pandemic and encourage competitiveness. As Pascal Saint-Amans, Director of OECD CTPA recently wrote 'COVID-19 has reinforced the critical role that sound timely tax

### Contents:

#### Editorial

#### News from the CATA Secretariat

- BEPS Regional Consultations
- Commonwealth pays tribute to His Royal Highness Prince Philip, Duke of Edinburgh
- G20 Finance Ministers Meeting
- IMF releases Fiscal Monitor Report

#### News from our members

- Australia
- Cyprus
- Malawi
- Mauritius
- New Zealand
- Nigeria
- Pakistan
- Singapore
- United Kingdom

#### Upcoming events

- NTO Conference
- 41<sup>st</sup> CATA Technical Conference
- TOIT - Transfer Pricing Workshop

policies and efficient tax administration can play in supporting people and businesses through the most challenging times towards a more promising and sustainable future’.

It must be a sustainable future for ALL, leaving no one behind. Yes, the G7 has given the direction of travel, but the Inclusive Framework must still lead the process.

---

## News from the Secretariat

(Please click on the headlines to view the full articles on the CATA website)

### BEPS Regional Consultations



CATA, along with the OECD and several partner organisations, held two regional consultations in June on base erosion and profit shifting (BEPS). The consultations covered the current work of the G20/OECD Inclusive Framework on BEPS towards consensus-based solutions for the digitalisation of the economy, as well as progress by developing countries in strengthening their tax systems.

Find out more about BEPS by visiting the [OECD website](#).

---

### Commonwealth pays tribute to His Royal Highness Prince Philip, Duke of Edinburgh



The Secretary-General of the Commonwealth gave a tribute to HRH Prince Philip, Duke of Edinburgh following his death on 9<sup>th</sup> April 2021.

### G20 Finance Ministers Meeting



The G20 Finance Ministers and Central Bank Governors, under the Italian presidency, held their meeting on 7<sup>th</sup> April 2021. While reiterating their commitment to the current international tax discourse on the digitalization of the economy, the group agreed on a series of commitments, as detailed in the official [Communiqué](#).

---

### IMF releases Fiscal Monitor Report - April 2021

The International Monetary Fund (IMF) has released a [report](#) that provides an overview of countries' fiscal actions in response to COVID-19 and discusses how government policies should adapt to get ahead of the pandemic and set the stage for a greener, fairer, and more durable recovery.



---

## News from our members

By CATA Country Correspondents

### Cyprus



#### Lessons learnt from COVID-19 pandemic

Cyprus shares the lessons that the Tax Department has learnt from the coronavirus pandemic.

---

### Mauritius



#### A new facilitation measure for online VAT registration by the MRA

The Mauritius Revenue Authority with the Corporate and Business Registration Department (CBRD) has developed a system for the online VAT registration of a company under a single process on its incorporation. This VAT registration system will help ease the doing of business and also reduce the cost of VAT compliance.

---

## From our members' websites

### Australia



[ATO and Tax Practitioners Board target identity fraud in partnership with tax profession](#)

### New Zealand



#### Compliance by multinational enterprises with COVID-19 relief measures - A 'right from the start' approach in New Zealand

To ensure compliance from businesses that have applied for COVID-19 relief measures, New Zealand has adopted a 'right from the start' approach. The initiatives to facilitate compliance include participation from the Inland Revenue in OECD transfer pricing discussions, stakeholder engagement, and intelligence work.

---

### Nigeria



#### Experts & stakeholders canvass tax automation at FIRS' dialogue

Nigeria's Federal Inland Revenue Service (FIRS) held its first Annual National Tax Dialogue on the theme of post-COVID taxation. During the discussions, tax experts, speakers, panelists, and government functionaries urged the Nigerian Government to adopt tax automation to ease tax collection and improve its revenue base.

---

### Malawi



[Finance Minister brings in duty free week, presents new tax measures for 2021/2022](#)

## Pakistan



[FBR introduces online electronic hearing of tax audits and assessment cases](#)

## United Kingdom



[More than 63,500 file Self Assessment on first day of tax year](#)

## Singapore



[Singapore and Serbia Sign Avoidance of Double Taxation Agreement](#)

---

## Upcoming Events

### NTO 1<sup>st</sup> Technical Conference

19<sup>th</sup> to 21<sup>st</sup> October 2021



The 1st Technical Conference of the Network of Tax Organisations will no longer take place in Rome but will be held virtually instead. The theme of the conference is 'Building stronger partnerships to fight tax-related illicit financial flows' and the online event will feature interactive panels, breakout sessions and workshops.

Please visit the NTO [website](#) for further details about this event.

### 41<sup>st</sup> CATA Technical Conference

8<sup>th</sup> to 12<sup>th</sup> November 2021



The theme and topics for the 41<sup>st</sup> CATA Technical Conference have now been finalised:

**Theme:** Simplified and efficient tax administrations

#### Topics:

- Topic 1 - Simplified tax systems
- Topic 2 - Performance and benchmarking of tax administrations
- Topic 3 - Lessons learnt from COVID-19

More information about the conference can be found on the dedicated conference website ([cata2021.tax.mof.gov.cy](http://cata2021.tax.mof.gov.cy)).

## TOIT - Transfer Pricing Workshop

5<sup>th</sup> to 9<sup>th</sup> July 2021

The second workshop from the 2021 Taxation of International Transactions (TOIT) Virtual Programme will be taking place from 5<sup>th</sup> to 9<sup>th</sup> July. This workshop, which is hosted by the Inland Revenue Board of Malaysia, will focus on transfer pricing, and will feature expert speakers from Her Majesty's Revenue & Customs and the OECD.

---



A (rare) sunny morning in Belgravia, London

*Wishing you a fun and safe summer from the CATA Secretariat.*



**Duncan Onduru**



**Megan Jones**



**Gerry Cook**

---