



THE COMMONWEALTH ASSOCIATION
OF TAX ADMINISTRATORS
NEWSLETTER

September 2019



The Wembley Hotel, Penang, Malaysia, the venue for the 2019 CATA Conference

Editorial

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There is increasing pressure on revenue administrations to do more with less as most governments put in place various austerity programmes geared towards taming the runaway debts situations. The major infrastructure projects being undertaken in the majority of the emerging economies have put enormous strain on national budgets with the consequence that tax revenue targets have been very ambitious and yet the resource purse available to the revenue administration are in most cases not commensurate. Staff recruitment freezes, consolidation and centralization of certain tax services, reductions in capacity building budgets are now common features. Member countries have limited budgets to send participants to training events neither are they able to host some of these events.

Fortunately, through the intervention of some member countries, we have managed to pull through some of our capacity-building programmes. This year, our participants for the [Senior Leadership Programme](#) again benefited from the sponsorship of the UK's Her Majesty's Revenue and Customs (HMRC) and to whom we owe a huge debt of gratitude. A similar generous sponsorship was accorded by the Inland Revenue Board of Malaysia (IRBM) for the [Taxation of International Transaction Workshop](#) and also the first phase of the Senior Leadership Programme.

While such sponsorships do go a long way in improving the reach of our programmes, we still encourage other member countries to also offer whatever support they can. As the saying goes 'The larger the pot, the more rice remains on the bottom'. Through pooling our meagre resources, we can ensure that no CATA member remains behind in this era of tremendous transformation.

Our partnership with other similar organizations working in the tax area is yielding dividends. In June we held a very successful event for the [Asia-Pacific countries](#) in Fiji in collaboration with the Pacific Island Tax Administration Association (PITAA) and the OECD. The workshop was funded by the Asian Development Bank and the OECD Korea Policy Centre. Through our collaboration with the Caribbean Organization of Tax Administrators (COTA), many members in the region are now engaging more actively in CATA events - a very positive development. It is noteworthy that the Prime Minister of St Lucia attended one of our high-level workshops held in London in June.

The Global Forum membership continues to grow with the latest addition being Namibia who has now committed to Exchange of Information on Request (EOIR). Despite the challenges associated with implementation, the benefits associated with the EOI cannot be overemphasized, more so in this era when business models transcend physical boundaries and transactions are facilitated through digital platforms. So far there are [30 member countries](#) of CATA in the Global Forum.

Consensus building on BEPS Action 1 on the digital economy is gaining momentum. It was the subject of two recent events that CATA participated in - one organized by COTA and the other by the African Tax Administration Forum - exploring how best to engage in these consultations and ensure the views of the developing countries also gain traction in the discussions. The [2019 CATA Technical Conference](#) will provide yet another forum for dialogue and brainstorming on the issues around the digital economy and particularly how digitalization can help address the shadow economy, which is a major contributor of the tax gap in many countries. I take this opportunity to welcome all our distinguished guests and member countries to Malaysia.

The United Nations Summit on climate change is taking place later this month and as the [OECD report](#) notes, more is still needed to be done in using fiscal measures to address pollution especially from the use of fossil fuels. No doubt many tax administrations are reviewing at their fiscal regimes and the relevant tax handles that can be used to mitigate this global disaster. This is an area that is likely to dominate many discourses in the days ahead as solutions to global warming are sought. Environmental taxes may be the next frontier.

Duncan Onduru

Executive Director

Other news from the Secretariat and our affiliates - please click on the hyperlinks below to access

[Upcoming CATA events](#)

[UN Releases 2019 version of Manual for the Negotiation of Bilateral Tax Treaties](#)

[OECD update on preferential tax regimes](#)

[CATA participates at COTA and ATAF conferences](#)

[United Nations Conference on Trade and Development releases digital economy report](#)

News from our members

[Mauritius - new tax measures come into force](#)

[Cyprus - Co-operation with other tax authorities](#)

[Canada - the Office of the Taxpayer's Ombudsman](#)

[Australia - GST on low value goods measure continues to exceed expectations](#)

[Fiji - FRCS introduces SME Support Centre](#)

[Grenada - IRD teams up with the Grenada Tourism Authority and police force to encourage compliance among motor rental operators](#)

India - CBDT takes further steps to ensure transparency in Tax Administration by bringing in concept of DIN

Jamaica - Over 45 taxpayers arrested in joint operation

Malawi - MRA holds workshops with chiefs in Mangochi

New Zealand - New Zealand signs new tax agreement with Switzerland

Pakistan - FBR instructs gas companies not to provide gas connection to unregistered consumers

Sierra Leone - Full digital transformation: NRA takes concrete steps to boost operations

UK - Tax gap remains low

Autumn Greetings from a very wet United Kingdom



Duncan Onduru



Megan Jones



Gerry Cook