



32nd Annual Technical Conference of the Commonwealth Association of Tax Administrators



COMMUNIQUE

We, the members of Commonwealth Association of Tax Administrators (CATA) were hosted by the Department of Taxes of Sri Lanka in Colombo on the occasion of the 32nd Annual Technical Conference held from the 18th to the 23rd September 2011.

The Conference was attended by 88 delegates from 27 member states and special guests from China and 7 international organisations including the African Tax Administration Forum (ATAF), the Southern African Development Community (SADC), *Gesellschaft für Internationale Zusammenarbeit (giz)*, the Commonwealth Secretariat and the Inter-American Center for Tax Administrations (CIAT).

Formed in 1978 following on from a meeting of the Commonwealth Ministers of Finance, CATA is an intergovernmental tax organisation whose mission is to provide its members with a forum for discussion of practical tax administration issues, to provide training to suit member states needs and to promote cooperation between tax administrations in the Commonwealth. To date, CATA has 48 Members from a total of 54 Commonwealth Members.

In pursuit of its mandate to promote cooperation and dialogue between Members, the 32nd Annual Technical Conference was held to openly discuss and share ideas and experiences on the two topics of *Transfer Pricing* and *Taxpayer Education as a Compliance Tool*. These topics were chosen on the basis of their increasing relevance in light of recent events. The 2008 global meltdown necessitated a shift from passive collection and administration of taxes to more robust and proactive methods of tax administration. Tax revenues have become more important to many countries than they have ever been before. In this light, many tax administrations, including CATA Member administrations have aligned themselves with global standards on issues of curbing cross border tax arbitrage while addressing existing domestic tax gaps. The theme topics of the 2011 Conference was based on the premise that interaction through question and answer sessions following quality presentations and during breakaway sessions of syndicate groups would not only foster a greater understanding of the technical areas but would also engage members in exchange of ideas and practices on policy and administration in the two subject areas.

On the strength of the wholesome and fulfilling presentations and healthy engagement between the presenters and delegates during the conference proceedings, syndicate sessions and indeed during social interactions, CATA Members agree:

- a. that taxpayer education is a key component in the development of a robust tax administration and responsible tax citizens and must therefore be cultivated at all levels including in the education curriculums of CATA Members;



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- b. that tax compliance cannot be achieved solely by enforcement but that taxpayer education plays a crucial role in enhancing tax compliance;
- c. that the formulation of transfer pricing policies and legislation are necessary to enable revenue authorities to tackle cross border tax flight emanating from the practice by multinational corporations;
- d. that Members need to improve their own networks to enable broader exchange of ideas and experiences;
- e. that CATA Members need to address transfer pricing issues as a matter of priority and avail resources for training and development in the area; and
- f. that CATA Secretariat has a role to play in developing sound databases for facilitating exchanges between Members.

CATA Members therefore recommend:

- a. that CATA Secretariat facilitate the development of working groups in the areas of taxpayer education and transfer pricing to enable exchange of ideas and experiences;
- b. that future CATA training place increased emphasis on transfer pricing and similar technical issues;
- c. that CATA should broaden collaboration with similar bodies and institutions to improve information sharing among its members; and
- d. that CATA Secretariat facilitate the improvement of communication channels and interaction amongst Member States to create a climate conducive to the exchange of ideas and experiences by the preparation of practice notes, guidelines and databases;

CATA
Colombo, Sri Lanka
23rd September, 2011