

The Commonwealth Association of Tax Administrators



cata
Newsletter

CATA Conference in Yaounde, Cameroon - 9 to 14 November 2008

New appointments in Australia, Pakistan & United Kingdom

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Editorial

Role and dynamics of technical conferences

One of CATA's key roles is to build capacity in tax administrations to achieve excellence in their operations. While a number of training programmes and workshops are organised annually to

further the objective, the single biggest and most potent tool is the annual technical conference. Annual conferences cover different topics unlike most specialised annual training programmes which cover the same topics but mostly for a new set of trainees. Conferences are held to spread and share knowledge and successful practices. However, this is an oversimplification of the role and dynamics of such conferences. There is a broad range of benefits for CATA, the participants and the host country.

For CATA, conferences provide the broadest possible forum for interaction amongst its membership. There is no substitute for face to face interaction. Conferences provide a great opportunity for bonding the membership into a fraternity with common aims, objectives and for developing mutual respect. A membership group without a good bonding will never be able to operate effectively because of too many forces pulling it apart in different directions. The bonding, mutual understanding and respect forged at conference gatherings aids in the furtherance of other activities undertaken by CATA. Sometimes this aspect of conference benefits is ignored or at least under-estimated. Some very useful and productive information is obtained by delegates outside of the conference hall – during tea breaks in hallways, at lunch and dinner tables or in the hotel bars where delegates are accommodated. Taking notes is only one small part of attending a conference. The real benefits are making one's own observations of communication and presentation skills, the silent communication in agreement or disagreement with presentations and discussions, and activating networking

with persons with common goals and interests. Therefore, while people can learn a great deal by studying documents and materials produced at conferences, they would never gain as much value, information or durable association than those who attend will always stand to do. CATA conferences are also used to ease relatively younger delegates into international exposure such as through the mechanism of syndicate discussions and especially the experience of being a rapporteur for a syndicate group. Annual conferences also provide for the secretariat, a tailor made opportunity for identifying areas of activity for specialised training, research, publications, etc. Above all, they provide the best, most instant and cost effective opportunity for a feed back from members on a broad range of activities, suggestions for improvement and the forum to explain to new delegates not to familiar with the working of the association, the rationale for various activities and the matching resources or the lack of such resources to undertake existing or potentially new activities.

For delegates, annual conferences offer a broad range of benefits, roles and opportunities. Sharing of experiences and best practices is a major objective. There can be few better opportunities for show casing successful operations, new and innovative approaches to problem solution, etc. achieved by countries than at annual conferences. Alternately, bringing up chronic national problems for discussion in order to seek a wide range of suggestions for solutions is another recurrent high priority. Most of the brightest and experienced minds within the CATA fraternity are usually at the conference. With the increasing trend of inviting non-member countries

and international organisations, the experience sharing spectrum is continually on the increase. With strategic planning becoming an increasingly popular tool of good management and governance, discussion of future trends in tax administration is a popular pursuit and a useful contributor to conference benefits. There are individual pursuits too; delegates eager to study and enhance existing communication and presentation skills, coordinating roles such as chairpersons of syndicate groups and adding to bullet points in personal CVs for future possibilities. There is no harm at all in any of those pursuits as long as collective conference objectives remain the priority.

The third party to annual conferences is the host country. Why would a country want to host an annual CATA technical conference? For a start, for most countries getting the opportunity of hosting such a major and well attended event is a rare opportunity. It gives a big forum for international exposure to the tax administration staff of the host country. Sometimes there are other considerations such as marking the 50th anniversary of independence or other such land marks. Being in the midst of a major tax reforms programme or the successful completion of one is another good time to host a major event like this. It offers the challenge of testing existing organisational skills and adding capacity for further enhancement of existing skills. Developing countries in particular have a strong desire to share their development gains and to showcase their country in general and tax administration in particular to the international community. There are several collateral beneficial effects of hosting such a

mega-event for the host country. It provides a short window of opportunity for demonstrating the tourism attraction of the country for visitors, goodwill generation through generous and lavish hospitality that makes visitors feel welcome and at home, highlight cultural strength and richness, introduction to places of interest for future visits, encouraging delegates to extend their post conference stay to visit parts of the country other than the conference location, etc. Of course, this involves a massive amount of dedicated work and sound planning. The lack of either can actually back fire, with people leaving the country with a negative or at least

uninspiring impression. In recent years, most host countries have achieved these objectives with flying colours. It is noticeable and officially recorded in delegates feed back that the organisational skills displayed by host countries have been of a very high standard indeed.

This year's conference will be hosted by Cameroon, followed by Malawi in 2009. The venue for CATA's annual conference in 2010 is not yet decided. Interested countries are invited to contact CATA secretariat to register their interest.

CATA News

TWENTY-NINTH CATA ANNUAL TECHNICAL CONFERENCE/WORKSHOP 2008

Arrangements for the 29th CATA Annual Technical Conference in Yaoundé, Cameroon from 9 to 14 November 2008 are making good progress. The Conference programme is in the final stages of preparations. More than 60 delegates from member countries and special guests from non-member countries and international organisations have so far registered for the conference. The Conference will be held at the Hilton Hotel in Yaoundé, Cameroon. The following two topics will be discussed at the Conference/Workshop:

1. **“Role of taxation in economic development”**
2. **“Information Technology - Opportunities and Challenges for Tax Administrations”**

Delegates planning to attend are again reminded to register as soon as possible.

ADVANCING MANAGEMENT POTENTIAL (AMP) 2008

The Advancing Management Potential training programme for senior tax officials commenced at the HMRC Staff College, Lawress Hall, Lincoln, United Kingdom on 28 July 2008. The residential period of the programme ends on Friday, 5 September 2008. The names of the participants who are attending this year’s course are as follows:

1. Sheku Fadika (Sierra Leone)
2. Rasidah Hussien (Malaysia)
3. Kwame Dwumah (Ghana)
4. Daniel Nuer (Ghana)
5. Yaw Opoku (Ghana)
6. Alli Zahabu (Tanzania)
7. Vivian Lesedi (Botswana)

8. Gorette Nahayo (Rwanda)
9. Richard Dada (Rwanda)
10. John Rwigamba (Rwanda)
11. Sunday Samuel Ogungbesan (Nigeria)
12. Gloria Iwuji (Nigeria)
13. Etim Bassey (Nigeria)
14. Zakari Isa Hussaini (Nigeria)
15. Umaru Mohammed Magam (Nigeria)

COMMONWEALTH TAX INSPECTORS COURSE (CTIC) 2008

The Commonwealth Tax Inspectors Course commenced concurrently at Lawress Hall, Lincoln, United Kingdom on 28 July 2008. The names of the participants attending this year’s course are as follows:

1. Topole Lebea (Lesotho)
2. Mabatho Nkoe (Lesotho)
3. Ali Asman (Malaysia)
4. Cornelius Von-Kiti (Ghana)
5. Sam Berfi (Ghana)
6. Dammitha Mapatunage (Sri Lanka)
7. Aimable Kayigi (Rwanda)
8. John Butare (Rwanda)
9. Gloria Nkefi (Botswana)
10. Waveney Hanley (St Kitts)
11. Ernest Dundee (Tanzania)
12. Geoffrey Rutihinda (Tanzania)
13. Saleh Galadima (Nigeria)
14. Theresa Nkang Abang (Nigeria)
15. Oji Jigo (Nigeria)
16. Felix Jombo Olaseni (Nigeria)

TAXATION OF INTERNATIONAL TRANSACTIONS (TOIT) 2008

The annual Workshop on Taxation of International Transactions was held at the Malaysian Tax Academy, Selangor, Malaysia from 7 to 25 July 2008. Eleven external participants representing 10 countries participated in the workshop in addition to 13 tax officials from Malaysia.

- 1 Hjh. Rena Azlina binti Dato' Hj. Abd Aziz (Brunei)
- 2 Christine Armelle (Cameroon)
- 3 Loannou Georgios (Cyprus)
- 4 Edward Kinyua Karanja (Kenya)
- 5 Mosonngoa Monkhi (Lesotho)
- 6 Yeung Sik Yuen, Niat Yin (Mauritius)
- 7 Sri Rahyu Suratman (Singapore)
- 8 Vijitha Paranamana ((Sri Lanka)
- 9 Dlamini Khethiwe Nonhlanhla (Swaziland)
- 10 Alice Chama Chishala Musonda (Zambia)
- 11 John Tembo Njovu (Zambia)
- 12 Latifah Hanim M Razak (Malaysia)
- 13 Maznah Md. Desa (Malaysia)
- 14 Esmarlina Mohd Isa (Malaysia)
- 15 Rosheila Hanifa (Malaysia)
- 16 Rosnita Ahmad (Malaysia)
- 17 Zukhaire Zulkifli (Malaysia)
- 18 Johari Mohd (Malaysia)
- 19 Ashrina Ramzan Ali (Malaysia)
- 20 Mohd Rosli Ahmad Noor (Malaysia)
- 21 Salbiah Mohd (Malaysia)
- 22 Azhar Ismail (Malaysia)
- 23 Aszamee Asmui (Malaysia)
- 24 Siti Syaheera Yusoff (Malaysia)
Malaysia

COMMONWEALTH MANAGEMENT DEVELOPMENT PROGRAMME (CMDP) 2008

The Commonwealth Management Development Programme 2008 for administrators is being held at the Mauritius Revenue Authority Headquarters in Port Louis, Mauritius from **4 August to 12 September 2008**. Experts from the Australia Taxation Office and Inland Revenue, New Zealand will deliver the course materials. The names of the 7 approved overseas nominees attending this year's course are as follows:

1. Mr Tsepo Raletooane (Lesotho)
2. Ms Ithabeleng Theko Mohloai (Lesotho)
3. Mr Abdou M Jeng (The Gambia)
4. Mr Assan Jallow (The Gambia)
5. Ms Christine G Mathurine (Grenada)
6. Mr David Mugo Mwangi (Kenya)
7. Mrs. Joyce K Nhlengethwa (Swaziland)
8. Mrs Nissa Gaya (Mauritius)
9. Mr G P Ramkissoo (Mauritius)
10. Mr Amal Lolljee (Mauritius)
11. Mr Deoraj Juggoo (Mauritius)
12. Mrs Anuja Devi Bissessur (Mauritius)
13. Mrs Shirin Bibi Nazroo (Mauritius)
14. Mr Maurice Cyril Marie (Mauritius)
15. Mr Kiang Li Kuk Cheung (Mauritius)
16. Mr Poonanan Jeebun (Mauritius)
17. Mr Vivekanand Ramburun (Mauritius)
18. Mr Luximan Babajee (Mauritius)
19. Mr Ludovic Thanay (Mauritius)
20. Mr Noor Mahmud Oozeer (Mauritius)
21. Mrs Vashuda Degnarain (Mauritius)
22. Mr Hassimjee Galamali (Mauritius)
23. Mr N Fakeerbocuss (Mauritius)

Appointments

Australia

Mr. David Butler has been appointed Second commissioner, Australian Tax Office. He assumes the role previously performed by Greg Farr as the Country Representative for Australia for CATA.

Pakistan

New Chairman



Mr. Ahmad Waqar has joined Federal Board of Revenue as new Chairman and Secretary Revenue Division. Prior to his present posting he has served as Secretary Investment Division and Board of Investment, Secretary Petroleum and Natural Resources, Secretary Privatization Commission and Secretary Finance Division, Government of Pakistan.

New Member Direct Taxes & Country Representative for CATA



Mr. Irfan Nadeem Sayeed has joined as Member Direct Taxes, Federal

Board of Revenue. He joined Income Tax Group in 1976 and brings with him a rich experience on staff and operational positions in the Income Department. Prior to his posting as Member Direct Taxes, he served as Director General, National Institute of Management, Director General Export Promotion Bureau and Commissioner Income Tax, Large Taxpayer Unit. He is the new Country Representative for CATA. He trained from the erstwhile IRS Training Centre, Lawrence Hall in 1996 & S.K.F School, Harvard University, USA in 2007.

United Kingdom

New Chairman of HM Revenue & Customs



Mike Clasper has been chosen to lead the Board of HM Revenue & Customs (HMRC). Mike began his working life as a British Rail signalling engineer before joining the company Procter & Gamble in 1978. He progressed quickly to a series of senior management positions. Mike joined HMRC from Terra Firma Capital Partners Ltd where he was Operational Managing Director.

COMSEC NEWS

Commonwealth looking to support and benefit from globalism, says Secretary-General

Governance and Growth lie at the heart of the Commonwealth's work, the Commonwealth Secretary-General, Kamallesh Sharma, has reaffirmed. He was speaking at the opening of the 54th Commonwealth Parliamentary Conference in Kuala Lumpur, Malaysia, on 5 August 2008.

The Secretary-General went on to say that a third 'G' now also forms part of the Commonwealth's vision, that being Globalism, which involves managing globalisation in order to reap positive benefits from the opening up of markets and the move towards a borderless world.

"We are part of a compacting world in which change is unstoppable and so too is the imperative of integration," said Mr. Sharma. "The good effects of trade, culture and technology now cross borders as easily as the ill effects of disease, climate change and environmental degradation or terrorism. Global economic phenomena embrace all, whether they are rising energy or food prices, or financial turbulence."

As the Commonwealth straddles the world, the Secretary-General asserted that the association can help to influence and shape globalism. This can be achieved through a globalist outlook by pursuing its goals in alliance with other like-minded organisations and parties.

What is 'globalism'?

'Globalism' is different from 'globalisation': it is an actively pursued mindset, which sees the world as one, and forges collective responses in shared situations. - Kamallesh Sharma

"We can find new partners beyond our membership, in different intergovernmental bodies, in foundations or the private sector. Everything about the world that we live in

and the attributes that we ourselves bring to it, decree that we should continue to look outwards and to invest our huge access and authority for even greater causes. We can see our models of best practice used far beyond our own confines."

The interconnectedness of today's global society, Mr Sharma said, has been accelerated by the internet, while the reach of civil and uncivil society has been facilitated through globalisation. He stressed that the challenges of global society require global scrutiny and responses. Hence the importance of global bodies such as the United Nations, the World Bank and the International Monetary Fund in providing a platform for dialogue and action at global forums.

The Secretary-General continued that all Commonwealth leaders had already agreed at their Commonwealth Heads of Government Meeting in Kampala, Uganda, in November 2007 on the need for reform of some key international organisations so that they respond better to contemporary global challenges and needs. He explained that a smaller group of 11 Commonwealth leaders had subsequently met in London on 10 June this year to develop a more detailed common position on rethinking and reforming global institutions.

The next step in the Commonwealth's efforts to promote reform of international organisations would entail a further special meeting of the broader group of all Commonwealth leaders in New York on 24 September 2008, the eve of the High-Level Event on the Millennium Development Goals (MDGs). The special meeting of Commonwealth Heads of Government will discuss reform of international institutions as well as progress towards achieving the MDGs, food security, and the impact of turbulence in the energy and financial markets.

Mr Sharma continued that climate change, poverty and terrorism have little respect for national borders. He said the Commonwealth is unfolding an action plan on climate change in particular with regional and global dimensions. Specifically, the association is assisting individual and groups of member countries in their international negotiations for a post-Kyoto deal. The Commonwealth is also mobilising civil society networks of statisticians, geographers, foresters and meteorologists. Best models for land management and forestation are being examined, as well as the development of initiatives in natural disaster preparedness and management.

The Secretary-General stated that the Commonwealth is developing efforts in mitigating the effects of climate change, particularly on small island developing states, as they face the threat of disappearing from the global map. "Responses to poverty and the quest for development are also universal. There are different routes to economic growth, but economic transformation is a house built on weak foundations without the corollary of political and social transformation. And transformation is of little value if it's not democratic."

On the issue of diversity in a globalised world, Mr Sharma said the Commonwealth Commission on Respect and Understanding, led by Nobel Laureate Professor Amartya Sen, had produced a report last year called 'Civil Paths to Peace' which examined the sources of division in societies and the factors that bind diverse societies together. "The report looked at the fault lines, not just of different faiths, ethnicities and languages, but of young and old, urban and rural, rich and poor. In a melding and interconnected world, a triumph or failure is not for one, but for all," the Secretary-General emphasised.

Doha Round

'The Doha Round of World Trade Organization talks is aimed at liberalising

global trade to make importing and exporting cheaper and easier, with a special emphasis on improving the economies of developing countries.' (Source: timesonline) "It is very unfortunate that at a time of global concerns, especially over food, fuel and financial turbulence, the member states of the WTO could not produce a collective outcome. This setback should not be allowed to undermine the concept of multilateralism, and the potentially large gains to be made by the global economy," he said.

"Trade is the acknowledged route out of poverty, and the burden of the failure to reach commonly-agreed conclusions is largely borne by the least developed countries and the small and vulnerable states, which can only progress in a more development-friendly multilateral trading system," he added. "Despite the current impasse, it is important that the advances already made over seven years are not lost. We want to see an early harvest of progress already made, for instance in meeting the deadline for the end of the worst of EU agricultural subsidies; in seeing the US honour its commitment to end cotton export subsidies; and in least developed countries having improved access in exporting into the markets of developed countries. For the poorest, smallest and most vulnerable states, all these are partial gains on which to build," he said.

Mr. Sharma said the stalling of the negotiations also had implications for the prospects of poorer countries to achieve the Millennium Development Goals by 2015. Developed economies had to remember that they had committed to helping poorer developing countries meet the MDGs." he said,. "This is a process which would be enhanced by a successful Doha Round, as well as increased levels of development assistance."

"We call for a resumption of the Round as early as possible. We also emphasise that a fair, equitable and development-oriented

outcome requires an inclusive negotiating process which gives genuine voice to all, and especially to smaller and poorer countries. The world's collective response to its collective challenges demands nothing less."

Trinidad and Tobago launches 2009 CHOGM logo, website

"CHOGM is a spectacular national event. It leaves behind a legacy of skills and infrastructure, and belief" – Kamallesh Sharma

Trinidad and Tobago Prime Minister Patrick Manning and Commonwealth Secretary-General Kamallesh Sharma officially launched the countdown to the 2009 Commonwealth Heads of Government Meeting (CHOGM) with the unveiling of the logo and website in Port of Spain on 30 June 2008.

Mr. Sharma arrived in Trinidad at the weekend ahead of the Monday event. On Sunday he visited some of the possible conference venues, hotels and general infrastructure that are expected to support the summit. A CHOGM involves meetings of leaders and foreign ministers, as well as several parallel events, such as business, people's and youth forums. "CHOGM will catapult Trinidad and Tobago as a nation and the Caribbean as a region into the prominence they deserve," stated Mr. Sharma. "This country is a dynamo for the Caribbean, a place of energy – both literal and metaphorical."

Mr Manning announced that CHOGM 2009 would be held on 27-29 November in the Trinidad and Tobago capital, Port of Spain. The Secretary-General will now formally inform Heads of Government about the date.

CHOGM 2009 website

Mr Manning and Mr Sharma unveiled the CHOGM 2009 website, <http://www.chogm2009.org/>.

Trinidad and Tobago has earned a reputation as a dynamic economy and hub for international businesses, boasting one of the highest growth rates and per capita incomes in the Caribbean and Latin America. "To host a big summit like CHOGM requires meticulous preparations, in terms of the logistics and infrastructure as well as the substance of the meeting. We at the Commonwealth Secretariat, who have considerable experience of organising such summits, work in close partnership with the host government," said Mr Sharma.

Before the launch, Mr Sharma held talks with Mr Manning which focused on the preparations for the CHOGM and other issues of interest to Trinidad and Tobago and the Commonwealth, including Caribbean regional issues. The Secretary-General also called on Trinidad and Tobago President Professor George Maxwell Richards, Foreign Minister Paula Gopee-Scoon, House Speaker Barendra Sinanan and Leader of the Opposition Basdeo Panday.

UK's chief scientist calls for 'new and greener revolution'

John Beddington was speaking at a climate change briefing held at the Commonwealth's headquarters. A "new and greener revolution" is needed to feed the world in the face of the current food crisis, according to the UK's chief scientist.

This revolution must not adopt the pillars of the previous Green revolution of the 1940s – such as breeding programmes and fossil fuels - which led to dramatic rises in cereal crop yields throughout the 1960s, Professor John Beddington warned. Instead, he argued, there is a need for more agricultural production on less land, using less water and with prudent use of fertilisers and pesticides.

"Levels of atmospheric CO₂ are the highest they have been for 400,000 years," said the UK Government's Chief Science Adviser. "It is completely extraordinary to hear

people still say that this is wrong and is not caused by humans. “What we need is a new and greener revolution that will feed the world in a sustainable way.”

Professor Beddington was speaking at the last in a series of briefings on ‘Climate Change and the Commonwealth’. These discussions, held in Marlborough House, London, were organised by the Commonwealth Foundation in partnership with the Commonwealth Secretariat.

“It was the voice of the people of the Commonwealth which brought about these briefings,” explained Dr Mark Collins, Director of the Foundation.

“The global threat of climate change was recognised by Commonwealth civil society organisations when they met in Malta in 2005 and called for a climate change action plan, which was subsequently endorsed by the Commonwealth’s Heads of Government in Kampala last year.”

Green Revolution

“What we need is a new and greener revolution that will feed the world in a sustainable way” - John Beddington.

This series of climate change briefings, he noted, is a direct response to this action plan, which called to strengthen the quality and participation levels at international negotiations on climate change. Presentations during the briefing held on 9 July 2008 were also made from Madeleen Helmer, Head of the Red Cross and Red Crescent Climate Centre; Ritu Kumar, a trustee of The Energy and Resources Institute; Stephanie Lynch, an 18-year-old student who champions key climate change messages; and Commonwealth Deputy Secretary-General Ransford Smith.

Among the topics they addressed were the humanitarian consequences of climate change; what can be done; and the role young people can play in these efforts.

HRH The Prince of Wales, who sat in on the panel discussion which concluded the briefing, told the audience that he feels one of the simplest, easiest and cheapest ways to buy time is “to sort out the problem of global deforestation”. Describing forests as the “air-conditioning system of the world”, the Prince argued that if further deforestation is not stamped out, “we will have no chance of achieving the Millennium Development Goals”.

“Unless we put together a scheme that has integrated rural development programmes, we will lose a large part of the battle against climate change,” he added.

Small states seek to benefit from offshore resources

Mauritius and Seychelles to receive assistance from the Commonwealth concerning the outer limits of the continental shelf

Mauritius and Seychelles are co-operating to make a joint submission to the United Nations in order to secure additional areas of continental shelf.

It is through such co-operation that these countries are seeking to establish a secure legal basis for the development of potentially lucrative natural and living resources of the seabed including oil, gas and mineral resources, as well as shellfish and other marine genetic resources. In order to claim additional areas of continental shelf in accordance with international law, both governments are required to make a submission to the United Nations Commission on the Limits of the Continental Shelf (‘the Commission’). The Commonwealth Secretariat is providing advice and assistance to these two small island states regarding the preparation of such a submission.

Continental shelf

The continental shelf of a coastal state comprises the seabed and subsoil of the submarine areas that extend beyond its

territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured where the outer edge of the continental margin does not extend up to that distance. (Source: UN) “For many countries, making a submission to the UN Commission offers the prospect of significantly increasing their continental shelf jurisdiction, thereby opening up new areas for exploration and development,” said Joshua Brien, Legal Adviser at the Secretariat.

“Submissions concerning the outer limits of the continental shelf have important implications for individual coastal states who stand a lot to gain, and also for the broader international community.”

Mr Brien, who is managing the project, explained that the Secretariat’s assistance will take the form of specialised legal and technical advice concerning the preparation of a Joint Submission in accordance with the relevant provisions of the 1982 United Nations Convention on the Law of the Sea (UNCLOS).

UNCLOS is a multilateral convention that sets out a framework of rules and principles to govern the management of all ocean space. It has been ratified by more than 150 countries, including 52 Commonwealth member states. Under UNCLOS, a coastal state seeking to claim extended areas of continental shelf beyond the traditional 200 nautical miles limit must make a submission

to the Commission, which has been established under UNCLOS to examine and make recommendations to coastal states concerning the outer limits of the continental shelf.

“The preparation of a submission to the Commission is a major undertaking,” observed Mr Brien, adding that “it requires that consideration be given to a range of highly specialised legal, scientific and technical issues in order to comply with the requirements of UNCLOS.”

Mr Brien noted also that for many developing countries, and particularly small islands states, the making of a submission to the Commission involves significant challenges, due to the cost and expertise implicated in such an endeavour. [A Decision of the States Parties to the Convention made in June 2008](#) recognises the challenges facing many developing countries, and in particular, small island states, that are seeking to prepare submissions, and establishes special measures to ensure that countries facing difficulties are not disadvantaged.

Where opposite or adjacent coastal states have potential to claim overlapping areas of extended continental shelf, special rules have also been developed by the Commission to provide guidance to countries that are seeking to make submissions. In such cases, one option available is for coastal states concerned to co-operate in the making of joint submissions to the Commission — an approach that has been adopted by

Members News

Australia

Country Correspondent:
Ms Sarah Safransky



Appointment of Second Commissioner

David Butler has recently been appointed to the position of Second Commissioner. David is returning to the ATO after serving as the Division Head with the OECD in Paris, and prior to that as the New Zealand Tax Commissioner. David will be taking up the role performed by Greg Farr up until his departure last year.

Corporate Plan

The 2008-09 Corporate Plan has been released outlining the ATO's corporate priorities for the next 12 months and beyond. The Plan includes multi-year priorities, strategic areas of focus and capability focus areas and can be found at http://www.ato.gov.au/content/downloads/n15929_0809.pdf.

ATO corporate multilateral international visit

The ATO's International Relations area recently coordinated a multilateral meeting on corporate matters, including governance, training and communication. A number of countries, including Chinese Taipei, South Africa, Finland and Vietnam travelled to Australia to share and gain insights on best practice in these areas. The South African delegation's attendance at this visit provided an opportunity for us to sign a memorandum of understanding between the Australian and

South African revenue authorities on mutual cooperation similar to the MOU between the ATO and the New Zealand Inland Revenue Departments.

Law multilateral international visit

Delegates from New Zealand, Lesotho, Malaysia, Papua New Guinea and Timor Leste attended a recent multilateral international visit focused around the Law Sub-plan.

Senior law staff provided an overview of the Law function. Speakers covered our approach to Rulings, objections, litigation, Practice Statements, our role in the development of the law, planning and governance and capability development. The Commissioner spoke with the delegates about his views in this area and noted the importance of sharing what we know with the community, for instance, through pre-filling of forms and having effective strategies in place for those that don't comply. If you are interested in knowing more about the visit you can obtain the agenda and presentations through by emailing internationalrelations@ato.gov.au.
Australia's future tax system

The Australian Government recently announced the review of Australia's tax system. The review will look at the current tax system and make recommendations to position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century.

Mergers and acquisitions framework

A new framework has been developed to help improve tax officers' expertise on mergers and acquisitions. The framework has been designed to give tax officers whose work involves mergers and acquisitions a broader understanding of the subject. The document has been developed in response to the unprecedented level of mergers and acquisitions activity over the past few years

and will help staff understand the complexity of these transactions from a commercial and tax perspective in a timely manner. To find out more information about the framework, please email internationalrelations@ato.gov.au where your query can be referred on to the team.

Compliance program launch

The ATO's *Compliance program 2008-09* was launched by the Commissioner to let the community know where the ATO will be focussing its compliance activity in the coming year. The ATO plans to focus on income tax issues, tax havens, schemes, wealthy individuals, large business and the cash economy. There will be an expanded review of executives and directors to include senior executives of private and foreign owned companies, focusing on their remuneration packages and any failure to report equity benefits and cash or share bonuses. Also in the spotlight will be partnership and trust distributions and large businesses engaged in global corporate restructures that shift assets offshore. The Compliance program can be accessed from the ATO's website at <http://www.ato.gov.au>.

Cyprus

**Country Correspondent:
Mrs Athina Stephanou**



Amendment to Assessment and Collection of Taxes Law (Lifting of bank /professional confidentiality) and amendment to Capital Gains Tax Law (Exemption of transfer of property between divorced spouses)

Cyprus for many reasons has developed into an international business centre. Few of the reasons are that it can provide high quality professional advice, high quality local staff, advanced telecommunication services, high quality bank services, easy air connection

with a large number of countries, close location to 3 continents, friendly legislations including tax legislation, friendly people, a large number of Double Tax agreements for the avoidance of double taxation and of course for the combat of tax avoidance/evasion ,beautiful weather ,different type of entertainment places and so many other reasons.

Most of the Double Tax agreements Cyprus has made, are mainly based on the OECD model convention with respect to taxes on income and on capital.

Article 26 of the Model deals with exchange of information and provides that

“ competent authorities of Contracting states shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes

It also provides that in no case shall the provisions.....be construed so as to impose on a contracting state the obligationto supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State.”

Article 26 of the United Nations Model Convention reproduces article 26 of the OECD Model with some differences. The UN model is more restrictive, as it refers that the said article applies in particular for the prevention of fraud or evasion. In addition a sentence has been added that the competent authorities shall, through consultation, develop appropriate conditions, methods and techniques concerning the matters in respect of which such exchanges of information shall be made, including, where appropriate, exchanges of information regarding tax avoidance.

In my opinion for the worldwide combat of tax evasion/avoidance, both models should read the same.

As banks in Cyprus were prevented to give any information due to bank confidentiality this restricted the application of the article on exchange of information to the Competent Authority, party to a Double Tax Agreement. To further facilitate the application of the said article, a law has been passed on 10th of July by Parliament that amends the Assessment and Collection of Taxes Law. The Law comes into force on 25th of July the date of its publication.

In accordance with this Law, irrespective of any obligation for confidentiality or other restriction for the submission or use of information and data, that is required by any Law or otherwise, including bank confidentiality or professional confidentiality including lawyers confidentiality, all persons are obliged to give to the Director of the Department of Inland Revenue, after he has obtained the written consent of the Attorney General, any information/books/documents he requires for a non-resident that has to be given to a contracting state, party to a Double Tax Agreement with Cyprus. The Director will require such information only if he is satisfied that the contracting state has the same legislation and practice as Cyprus, as regards submission of such information to Cyprus. The Director has to inform the person from which the information is required for which Tax Authority is required.

The foreign Tax Authority is obliged to give to the Director the following information:

- a) the identity of the person under examination
- b) description of the information required including the method the Tax Authority wishes the Director to collect the information
- c) the tax reason the information is required
- d) the reason the Tax Authority thinks that the information is held within Cyprus
- e) if known who holds the information
- f) declaration that the information is required in accordance with their legislation

and practice and if such information was held in their country the Tax authorities there, would have the power in accordance with their Laws or practice to obtain such information

g) declaration that the foreign authority has taken all steps except those that would cause excessive difficulty, for the collection of information

An effective exchange of information further enhances the combat of tax evasion an important matter for the European Union and organizations like OECD etc. Tax evasion leads to distortions in an economy and unfair competition. It is important that compliant persons to taxation laws are protected through combating of evasion.

It is also important for organizations and countries, to assess the effects of adequate exchange of information and consider measures for the protection of the economies that adequately exchange information, against economies that lack to co-operate in tax information exchange matters.

Furthermore Cyprus participated with a delegate in the working group of OECD on Effective Exchange of Information. The working group developed a model agreement intended to establish the standard of what constitutes effective exchange of information.

Bear in mind, as from 1.1.2005 if an individual is under examination with a capital statement and there is suspicion that declarations regarding bank accounts are not correct, the Director of IRD can apply to any bank for comparison of data held. If there is evidence that the taxpayer did not declare all his bank accounts the Director can apply to the court for the issue of an order for the lifting of the bank secrecy law. The same procedure can apply in the case of examination of accounts of a company and in such case any procedures are taken against the directors of the company that exercise management duties. Although the said provisions apply to both residents and

non residents in practice it is more likely to apply to residents as non-residents income in Cyprus is likely to be limited.

Section 10 of the Capital Gains Tax Law has also been amended to include in exemptions transfer of immovable property between divorced spouses whose marriage has been dissolved after a court decision or between spouses that settle property matters after court decision or decree. The above provisions apply to any pending divorce cases from the date of enforcement of the amendment Law which is 25 th July 2008.

Guyana

**News despatch by:
Ms Jewel Maughn**

RECENT TAX LEGISLATION

Income Tax

The National Assembly approved on March 10, 2008 an amendment to the Income Tax Act Chap.81:01 to reflect changes to the Income Tax threshold. With effect from year of assessment commencing January 1, 2009, the Income Tax threshold has been increased from G\$336,000 per annum to G\$420,000 per annum.

Excise Tax

The Excise Tax Amendment Act was also passed in the National Assembly on March 10, 2008. The amendment gives the Minister of Finance the power to amend, by Regulations, the list of taxable goods without first seeking the approval of the National Assembly. The amendment also gives the Minister the authority to specify, by Regulations, the rates of tax imposed without seeking the approval of the National Assembly.

INSTITUTIONAL STRENGTHENING

The Governing Board of the Authority has approved the restructuring of the

organisation along functional lines. The Implementation Plan for the restructuring was developed by Consultant Mr David Crawford and will be executed through the joint efforts of Consultants attached to Nathan Associates Inc. and managers and staff of the Guyana Revenue Authority. The Implementation Plan is to be financed by the Millennium Challenge Threshold Program.

TRAINING SEMINARS/CONFERENCES/WORKSHOPS

The Authority continued in its efforts to maintain a skilled, knowledgeable and professional workforce and to this end several members of staff attended training programmes and seminars.

Six (6) members of staff attached to the Collections Section of the Value Added and Excise Taxes and Internal Revenue Departments of the Authority participated in a training programme on Collection Enforcement. The programme was conducted by the Caribbean Regional Technical Assistance Centre (CARTAC) and was held in Barbados over the period January 28 – February 1, 2008.

The OAS Inter-American Committee Against Terrorism (CICTE) conducted Phase II of the maritime Security Training during the month of March. This programme was attended by several staff members attached to the Customs and Trade Administration who were updated on issues relating to port security.

Employees attached to the Project execution Unit, the Human Resource Division and the Value Added and Excise Taxes Department were exposed to training in the Methodology for Monitoring and Evaluation. The resource person was Dr. Leo Surla, monitoring and evaluation specialist.

Several staff members attached to the Human Resource Division benefited from training programmes conducted by the

Public Service Ministry. These programmes included Human Resource Development, Secretarial practice, Supervisory Management and a human Resource Toolkit Workshop.

Ms U Jack, Assistant Commissioner – Internal Audit attended a workshop on Modern Information and Technology Systems over the period May 5 to May 9 in Barbados. The workshop was hosted by the Caribbean Regional Technical Assistance Centre (CARTAC) and among its objectives was identifying the requirements and specifications of a modern tax administrative Information Technology system and reviewing the types of systems which are available in the market with a view to considering how they meet those requirements and specifications.

The 30th Annual Conference of the Caribbean Customs Law Enforcement Council (CCLEC) was attended by Mr C Ramsarup, Commissioner – Customs and Trade Administration. The Conference was held in the Grand Cayman Islands over the period May 19 to May 23 under the theme “Security and Facilitation: the way of the future”.

The Fifth Meeting of the Caricom Standing Committees on Immigration and Customs was held in the Bahamas over the period May 29 to May 30, 2008 and was attended by Ms Ingrid Griffith, Deputy Commissioner, Customs and Trade Administration.

The CARICOM/WTO Regional Workshop on Non-Agricultural Market Access Negotiations for Caribbean Countries was held in Jamaica over the period June 11 to June 13 and was attended by Mr. Gavin Lowe, Assistant Commissioner attached to the Customs and Trade Administration. The workshop was intended to facilitate more effective preparation and participation by Caricom member states in ongoing WTO DOHA negotiations.

Mr. Lowe also participated in a Customs Modernisation Training programme which was held in Singapore during the month of June. The training programme was intended to enable participants to better understand the role and functions of Customs and its management in their respective countries.

Malta

**News Despatch by:
Mr Randolph Aquilina**

Pre-Budget Document 2009

In the last few years, it has become Government practice to issue a pre-budget document around mid-year. This document outlines the Government’s proposals for discussion before the final decisions are taken regarding the actual budget measures.

In this year’s pre-budget document, the main proposals relating to income tax refer to the following:

- measures to further increase female participation in the workforce: tax breaks to encourage a return to the workforce of women who had left work to raise a child;
- further tax cuts to be introduced progressively: widening of the tax bands to lessen the incidence of taxation on individuals and encourage more economic activity.

Mauritius

**Country Correspondent:
Mrs Vaydavadee Ramdin**

1 Main amendments brought to our Income Tax Act

- (i) As from 1 July 2007, income derived by an individual resident in Mauritius (including a non-citizen) from outside

Mauritius is taxable to the extent that the income is remitted to Mauritius. Companies resident in Mauritius will continue to be taxable on their worldwide income, whether the income is remitted to Mauritius or not.

(ii) Directors' fees and any other payments derived by a person in his capacity as a member of the board of directors of a company which is resident in Mauritius are assessable to tax in Mauritius, irrespective of whether the services are performed in Mauritius or elsewhere.

(iii) Where tax is withheld under Pay As You Earn (PAYE) in an income year and the employee or director is a non-resident and does not derive any other gross income from Mauritius and is not owner of any residential property in Mauritius, the amount of tax withheld is deemed to be the final amount of tax payable. No return of income is required to be furnished at the end of the income year.

(iv) **Income Exemption Threshold**
All personal reliefs and deductions such as basic personal deduction, deduction for dependent spouse and children, interest paid, life insurance premium, donations to charitable institutions, medical expenses etc which were allowable previously to an individual who is resident in Mauritius have been withdrawn and consolidated into a simple deduction known as Income Exemption Threshold as follows:

Individual	Amount (Rupees)
Category A (an individual with no dependents)	240,000
Category B (an individual with one dependent)	350,000
Category C (an individual with two dependents)	410,000
Category D (an individual with three dependents)	450,000
Category E (a person who has attained the age of 60 and does not derive income from emoluments (other than pension) or business and with no dependent)	285,000
Category F (defined as for Category E above and with one dependent)	395,000

A "dependent" can be the spouse or children of the taxpayer.

(v) **National Residential Property Tax (NRPT)**

- A National Residential Property Tax (NRPT) has been introduced and is payable by every owner of a residential property where the income of the owner exceeds Rs 385,000.
- However, the income limit of Rs 385,000 does not apply where the property is owned by any person other than an individual or where the owner is not resident in Mauritius.
- The appropriate rate is as shown below-

Area	Rate
Floor area for an apartment, flat or tenement	30 rupees per square metre
Surface area of land for any residential property	10 rupees per square metre

(vi) Investment Allowance

Investment allowance which was granted at the rate of 25% has been withdrawn.

(vii) Losses

Losses are available for carry forward up to 5 years only. However, the time limit is not applicable to loss attributable to annual allowance.

(viii) Advanced Payment System (APS)

An Advance Payment System (APS) has been introduced to require companies to submit quarterly tax returns and to pay tax accordingly.

(ix) Due Date for Submission of Returns

Formerly companies had to submit their annual returns of income and pay tax on a specific date depending on the date the accounts were closed. All companies are now required to submit their returns within six months after the close of their accounting year.

(x) Rate of Tax

A single tax rate of 15 % is applicable to both individuals and companies.

(xi) Tax Deduction at Source (TDS)

- Tax Deduction at Source (TDS) came into effect as from 1 October 2006. Under this system, the payer is required to deduct tax at the time payment is made available to a payee.
- Payer does not include an individual.
- Payments covered and the applicable rates are shown below-

Nature of payment	Rate of tax
Interest e g bank interest, interest on debentures and loans	15%
Royalties	10%
Rent	5%
Payments to providers of specified services	3%
Payments to contractors and sub-contractors	0.75%

(xii) Special Levy on Banks

- All banks are liable to pay a special levy calculated by reference to book profit and operating income derived during the preceding year.
- Book profit is defined as profit computed in accordance with International Financial Reporting Standards.
- Operating income means net interest income and other income before deducting non-interest expense.
- The rate of the levy is given below-

	Book Profit	Operating income
Rate	1.7%	0.5%

- The levy is not applicable where a bank has incurred a loss or the book profit of the bank does not exceed 5% of its operating income.

(xiii) Islamic Financing Arrangement.

Provisions have been made in the income tax law for the introduction of Islamic banking and finance. The tax treatment to be given to the effective return (in lieu of interest) related to Islamic financing arrangement will be the same as that provided for interest paid or received.

- i) GSM Service Providers and all Telecommunications companies;
- ii) Cyber Companies and Internet Providers;
- iii) Pensions Managers and pension related companies;
- iv) Banks and other Financial Institutions,
- v) Insurance Companies.

2 Double Taxation Agreement Double Taxation Agreement

An Agreement for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income between the Republic of Mauritius and the State of Qatar was signed in Port-Louis, Mauritius on the 28 July 2008.

The details of the NITDA Act shall be serialized in subsequent edition of the Newsletter.

Pakistan

**Country Correspondent:
Mr Muhammad Riaz**



Nigeria

**Country Correspondent:
Mr Malik Tukur**



INTERNATIONAL

A four-member Zimbabwe tax delegation visited Pakistan for the 2nd round of negotiations from 14-18 July 2008 to negotiate the Agreement for the Avoidance of Double Taxation between Pakistan and Zimbabwe. First round of negotiations was held from 13-15 March 2006 at Harare. Pakistan side was led by Mr. Usman Khalid Mirza, Member Direct Taxes while Zimbabwe delegation was led by Mr. Tichowana George Chiradza, Commissioner Incharge, ZIMRA. After extensive deliberations a consensus was achieved and the Agreement was initialled by the respective heads of delegations on 18th July 2008 at Islamabad.

NATIONAL INFORMATION TECHNOLOGY AGENCY LEVY DEVELOPMENT

This is covered under NITDA Act, 2007.

The Act recently approved by Government requires all companies whose annual turnover is up to N1.0million to pay an annual levy of 1% of their Profit Before Tax figure for the purpose of developing information technology in Nigeria. The levy which is tax-deductible is to be collected by FIRS on behalf of the Agency. Companies affected include:

DOMESTIC

Following changes have been made in the Income Tax Ordinance 2001 through Finance Act 2008:

- After tax profits, transferred by a branch of a foreign company out of Pakistan will now be treated as dividend income and subject to tax @ 10% in order to provide a level playing field to non-resident incorporating a Pakistan company.
- Gross rental income from property will now be taxed at progressive rate i.e. 5%, 7.5% and 10%. No tax would, however, be deducted/paid on rent upto Rs.150,000/- per annum, in the case of individuals and AOPs having no other source of income.
- To encourage industrial investment in rural and under developed areas First Year Allowance @ 90% of the value of industrial assets has been allowed to the industrial undertakings established in specified areas to be notified by the Federal Government instead of tax holiday.
- The term “local authority” has been substituted with the term “local government” in the Income Tax Ordinance, 2001.
- Exemption from tax available through other statutes of the Government has been withdrawn. Such exemptions included State Bank of Pakistan Act 1956, State Bank of Pakistan Banking Services Ordinance, 2001, RDFC, Pakistan Broadcasting Corporation, Small Business Finance Corporation, Federal Bank for Cooperative, ADBP, Pakistan Telecommunication Authority, National Telecommunication Corporation, Pakistan Telecommunication Employees Trust, PTCL, International Financial Corporation (IFC), etc. The FBR has been reviewing exemptions under the Income Tax Ordinance 2001 and 35 exemptions have been withdrawn through Finance Act, 2008. It was also not possible to know exact

number of exemptions allowed under other statutes and to review their retention.

- To encourage amalgamation of Banking Companies, NBFCs, Modarabas and Insurance Companies, the facility of carry forward of “accumulated loss” under the head “income from business” (not being speculation business losses) for a period of six year has been allowed to amalgamation one or more such companies and modarabas.
- Profit on foreign debt payable by a foreign controlled resident company in excess of three to one foreign debt equity ratio is not an admissible expense. However, there was no such restriction on branches of foreign companies not incorporated under Companies Ordinance, 1984. To provide level playing field to all operations of foreign companies “Thin Capitalization” rule has been made applicable to the branches of foreign companies operating in Pakistan.
- Minimum tax payable on declared turnover, has been abolished.
- In order to encourage and promote investment in business and industry, a time bound scheme of investment tax has been introduced, allowing any past and present investment made in the business, industry, moveable or immovable assets to be declared in accordance with the scheme and tax paid @ 2% on the fair market value of investment as declared under the scheme. The declarant shall not be liable to any pecuniary or penal action, in respect of such income/assets. New taxpayers availing the scheme would be required to file returns of income for the tax year 2008, at least for three subsequent tax years. However, they would neither be asked to file return of income for the last five years nor sources of acquisition of assets during the said period of five years as declared under the scheme would be questioned. This scheme would prove to be instrumental in substantially improving the tax base. The scheme has

been released by the Board vide Circular No.03 of 2008 dated July 1, 2008.

- Tax Arrears Settlement Incentive Scheme (TASIS) 2008 has been released vide FBR's circular No.04 of 2008 dated July 01/07/2008. In order to effect speedy recovery of tax arrears an opportunity has been provided to the taxpayers and withholding agents to settle the arrears under Tax Arrears Settlement Incentive Scheme (TASIS) 2008. Under this scheme, if the taxpayer pays the principal outstanding tax liability, surcharge, additional tax or penalty levied or leviable on such amount would be waived off and a certificate of settlement of arrears shall be issued.

- Insurance and reinsurance premium paid to overseas insurance companies would now be subjected to 5% withholding tax at the time of remittance and this will be the discharge of final tax liability.

- Tax withheld on supply of goods would be adjustable against final tax liability in the case of a company engaged in manufacturing and final tax in the case of other company, an individual or association of persons.

- A small company was not required to deduct tax on payments made on sale of goods, services rendered and execution of contracts. Small Company is now also liable to withhold tax under the Income Tax Ordinance 2001 like all other corporate taxpayers and AOPs.

- AOPs having turnover exceeding Rs.50 million in tax year 2007 and onwards have been included in the definition of "Prescribed Person" and would be required to deduct tax at the time of making payments on account of sales, services rendered and execution of contracts etc.

- To provide level playing field to the media companies and to enforce withholding tax @ 10% on all advertising

payments made from Pakistan, an amendment in the law has been made to collect tax on such payment. The tax so collected will be treated as final tax.

- To provide level playing field to the entire export sector, withholding tax on all exports would be subjected to tax @ 1%. However, it would remain as final tax.

- Withholding tax on imports has been reduced from 5% to 2%.

- In order to allow speedy relief in suitable cases, FBR has been empowered to exempt persons, class of persons, goods or class of goods or payments etc. withholding taxes.

- Exemption of withholding tax on supply of petroleum products by P.E. of non-resident E&P companies has been provided.

- Inter-corporate dividend received by a company from another company in the group eligible for group relief has been exempted from tax.

Federal Board of Revenue takes this opportunity to renew to the CATA Secretariat, the assurance of its highest consideration.

Singapore

**Country Correspondent:
Ms Angeline Chan**

Compulsory Auto-Inclusion Scheme for Employers

The Auto-Inclusion Scheme (AIS) for Employers is a scheme where employers transmit their employees' income information to the Inland Revenue Authority of Singapore (IRAS) electronically during the tax-filing period. The income information is then pre-filled on the employees' electronic tax returns and included in their income tax assessments.

This makes it easier and more convenient for the employees to file their tax returns as they need only to check and confirm the information on their electronic tax returns when they e-file. This scheme also improves compliance level as the incidence of non- and incorrect reporting by taxpayers is reduced.

Currently, about 6,300 employers in Singapore are participating in the scheme, submitting income information on more than 740,000 taxpayers electronically to IRAS during the filing period. From January 2009, it would be compulsory for employers with 100 or more employees to participate in the AIS. This would increase the number of employers participating in the scheme to about 7,000 and bring greater convenience in income tax filing to some 850,000 taxpayers. Plans are underway to make it compulsory for employers with fewer than 100 employees to participate in the AIS from 2010 onwards.

Transfer Pricing Consultation

IRAS had earlier issued a Transfer Pricing guide to help taxpayers better understand the conditions for arm's length pricing so as to take steps to minimize the risk of double-taxation. IRAS will now conduct Transfer Pricing Consultation (TPC) with selected taxpayers. Through the consultation process, IRAS will assess the ease and level of compliance by taxpayers with the Transfer Pricing guidelines. It will also enable IRAS to further facilitate and advise taxpayers on good practices in Transfer Pricing and the potential risks identified.

In this regard, IRAS has issued an Electronic Tax Guide titled "Transfer Pricing Consultation" at www.iras.gov.sg to explain how the Transfer Pricing Consultation will be carried out.

Singapore's Avoidance of Double Taxation Agreements Network

Singapore and Uzbekistan signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in July 2008. With this, Singapore now has in place 62 Comprehensive Avoidance of Double Taxation Agreements (out of which 58 had been ratified) and 7 Limited Agreements. The full text of the Agreements can be found at the IRAS website (www.iras.gov.sg).

United Kingdom

**Country Correspondent:
Ms Jas Sahni**

Mike Clasper, new Chairman of HM Revenue & Customs



Mike Clasper has been chosen to lead the Board of HM Revenue & Customs (HMRC), which will provide strategic leadership, approve business plans, monitor performance and ensure the highest standards of corporate governance.

Mike began his working life as a British Rail signalling engineer before joining the company Procter & Gamble in 1978. He progressed quickly to a series of senior management positions, when he left in 2001 he was President, Global Home Care and New Business Development. From Procter & Gamble he moved to the airport operator BAA where he was Chief Executive. Mike joined HMRC from Terra Firma Capital Partners Ltd where he was Operational Managing Director.

Information about the members of the Board of HMRC can be accessed on the Internet at <http://www.hmrc.gov.uk/board/index.htm>

Double Taxation Conventions (DTC)

A new comprehensive DTC between the UK and France was signed on 19 June 2008. The text of the new Convention can be accessed on the Internet at <http://www.hmrc.gov.uk/international/france.pdf>. The text will be laid as a Schedule to a Draft Order in Council for consideration by the House of Commons later this year. Agreements were also signed recently with the following countries; Bermuda (Tax Information Agreement signed on 4 December 2007); Moldova (comprehensive DTC signed on 8 November 2007); New Zealand (Protocol to comprehensive DTC signed on 7 November 2007); Saudi Arabia (comprehensive DTC signed on 30 October 2007) and Slovenia (comprehensive DTC signed on 14 November 2007).

HM Revenue & Customs takes steps to make IT systems more user-friendly

The HM Revenue & Customs (HMRC) revised report '[Equality Impact Assessment of IT Accessibility](#)' recognizes that the Department could do more to improve IT access, especially for disabled people and sets out areas where it hopes to make these improvements. The report can be accessed on the Internet at http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageLibrary_ConsultationDocuments&propertyType=document&columns=1&id=HMCE_PROD1_028773

The new report documents the views of staff and customers following the consultation exercise conducted after the release of the original report in October 2007. It also provides guidance on how HMRC has responded to these comments. It is hoped to further involve disabled people in the development and testing of new IT systems and services, Accessibility is important to HMRC. Work has been going on for some years to improve the accessibility of IT systems, to provide a better service for

disabled customers and staff. However, HMRC accepts that there is still room for improvement and is working hard to make this happen.

Changes to the Research & Development (R&D) and Vaccine Research Relief (VRR) tax relief rules

A number of changes have been made to the Small and Medium Companies R&D and VRR tax relief schemes which all took effect from 1 August 2008.

The UK's SME R&D and VRR schemes are notified state aids. These reliefs are in the form of an enhanced deduction in respect of qualifying expenditure which reduces the tax payable or increases the tax losses arising. The schemes, and any changes to them, must be approved by the European Commission (EC) before they can take effect. Following discussions with the EC, and a number of amendments to the SME R&D and VRR scheme rules, HMRC has now received EC approval for changes to these schemes to:

- allow relief for clinical trial payments
- extend the SME R&D scheme to mid-sized companies
- to increase the rate of SME R&D relief.