



THE COMMONWEALTH ASSOCIATION OF TAX ADMINISTRATORS

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TO ALL MEMBERS

Sub: Background Papers Questionnaire for 31st CATA Annual Technical Conference

The 31st CATA Annual Technical Conference will be hosted by Nigeria most likely in October 2010. While the exact dates and details of other logistical arrangements including conference venue, hotel accommodation, etc are still awaited from Nigeria and will be circulated to all members when received from Nigeria. In the meantime, members are requested to kindly prepare and send their background papers to the CATA Secretariat so that the process of selecting countries for making technical presentations at the conference can be carried out in advance.

Members are requested to kindly furnish background papers – not exceeding four pages each on both topics for the conference. Background papers provide the necessary material to enable CATA Secretariat in identifying countries which can be invited to make technical presentations at the conference. Countries selected to make presentations will thereafter be invited to furnish the complete presentation papers focusing on specialized sub-topics allocated in each case. At this stage background papers should cover only in very broad outline the issues listed below.

Please bear in mind that:

- Member countries of CATA stand at different levels of economic development and therefore some leading questions below may not apply in every case, and
- The questionnaire is simply meant to stimulate the thinking process and to provide rough guidelines for drafting background papers. **Additional material on the two topics will be very welcome.**

Topic 1: Taxation of specialized sectors

Financial sector such as banking, insurance, etc.

(a) List 3 main risk factors in taxation of insurance businesses? (b) What in your view are the major difficulties or challenges in dealing with taxation of insurance businesses (c) Discuss one more aspect of this topic not covered above but which you consider important to your country.

Energy, including oil and gas

(a) List 3 main risk factors in taxation of oil and gas exploration business explorations?
(b) Are the problems associated with oil and gas exploration business different from those

with production and marketing companies, and if so, in what major ways? (c) Discuss one more aspect of this topic not covered above but which you consider important to your country

Air and shipping services

(a) Though air and shipping businesses are generally bracketed together, there are major differences in the practical execution of both operations. Please identify the different nature of both operations and how these impact on tax assessment and risk evaluations. (b) How are the specialisation needs of tax officials in dealing with air and shipping profits regulated in your tax administration? (c) Discuss one more aspect of this topic not covered above but which you consider important to your country

Telecom

(a) Telecommunication is a very wide concept that includes landline and mobile phones, cable, wireless and satellite services and now the internet is intermingled with it too, even though "IT" is classified as a separate specialised sector. Please identify the 3 major problem sub-sectors in your country from the taxation perspective. (b) Discuss one more aspect of this topic not covered above but which you consider important to your country

Agro-based industries

(a) For present purposes, agro-based industries are being treated as distinct from agricultural activities per se in order to keep the sub-topic to manageable proportions. In your experience, which are the 3 leading agro-based problem category of industries and why? (b) Suggest ways for dealing with this problem which you consider can be effective but have so far not been adopted by policy makers in your country. (c) Discuss one more aspect of this topic not covered above but which you consider important to your country

2. Exchange of information – domestic and international

(a) Are you content with the existing set up in your country for the collection and exchange of information to combat tax avoidance and evasion? (b) Has the continually gathering pace of globalization of economic activities and cross border transactions increased the need for exchange of information between national tax authorities to maximise their respective tax collections. (c) Discuss specific and implementable measures that can be adopted through international cooperation for meaningful information exchange. (d) There can be two levels of cooperation. The first is development of a regulated and continuous mechanism for exchange of information between countries and jurisdictions. The second and more difficult level is that of carrying out activities or implementing action on behalf of other countries. Discuss briefly your views on how each can be improved. (e) List 3 major obstacles in the implementation of international or bilateral cooperation in exchanging information. (f) It is said that simultaneous audits involving two or more states can be an effective deterrent against non-reporting or under-reporting of cross border transactions. If yes, then why in your view this has not become a more common practice (g) Discuss one additional aspect of the topic which you feel the conference should also discuss in addition to listed topics.