



**Commonwealth Association of Tax Administrators
32nd Annual Technical Conference
Colombo, Sri Lanka
18-23 September 2011**

The 32nd CATA Annual Technical Conference will very kindly be hosted by Sri Lanka in September 2011 in Colombo. Information on the conference is in the invitation letter to which this is an annexure. To enable the exchange of ideas and experiences on the two topics for the conference Members are requested to kindly prepare and send background papers to the CATA Secretariat on the two areas 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. Besides being useful source and background material for other Member States, 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 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: Transfer Pricing

1. How does your state approach issues related to transfer pricing? Please outline the approach of your legislation, indicating if it is specific to transfer pricing or tied to a more general anti-avoidance rule. Please comment on any perceived strengths or weaknesses in your legislative approach.

2. Transfer pricing rules are not simple to apply. Please outline how such work is resourced in your state and any recent developments which have improved effectiveness in this area.

3. Is it your state's experience that transfer pricing issues arise more frequently in specific areas of business? If so please give brief details of those areas and the issues involved.
4. The OECD has recently issued revised guidelines for transfer pricing. Those guidelines suggest specific methods which should be applied to determine arms length prices. Do caseworkers in your state apply those methods? If so please comment on the strength and weaknesses of the methods.
5. Please comment on your state's experience of the Mutual Agreement Procedure, as envisaged in Double Taxation Agreements, where that procedure has been invoked in transfer pricing cases.
6. Are there other significant issues relating to transfer pricing not mentioned above? If so, please supply details and background information on that issue

Topic 2: Taxpayer Education as a compliance tool

1. Taxpayer education is often viewed as an unnecessary cost in the revenue administration. How has your administration incorporated taxpayer education in your revenue administration structures?
2. In your experience has taxpayer education been a useful tool for ensuring taxpayer compliance? Which segment of your taxpayers has responded the most to your efforts (taxpayer education)? Please provide comments on why this segment has been most responsive.
3. What, in your opinion, is the most effective way of disseminating educational information to taxpayers e.g. road shows, distribution of pamphlets, flyers etc, website material?
4. In which areas of tax administration do you think taxpayer education has the greatest impact and why?
5. Some tax jurisdictions have introduced events/days where they honour the most compliant taxpayers. Is this an activity that your administration employs? In your opinion, do such events/open days achieve greater interest in taxpayer's participation in the tax system?
6. What other taxpayer education strategies can you suggest that would enhance taxpayer compliance?
7. Discuss one more aspect of this topic that you feel the conference could benefit from in addition to the listed questions