

2003, June

Editorial

CATA's New Website

In today's world almost every organisation, large or small, either has an operative website or is in the process of planning or developing one. Websites have proved to be a very economical, fast and efficient method of running the affairs of any organisation or business and providing information and service on the Internet. Governments are also increasingly recognising the role that Internet will play in the foreseeable future in managing the affairs of the state in an efficient and cost effective manner. Hence the number of official governmental websites is on the increase.

CATA has recently developed a new web site which became operative on 12 May 2003. CATA's first website launched in 1999 was developed following the first Strategic Plan adopted at the Seventh General Meeting of CATA held in Samoa in 1997 which envisaged the increasing use of modern information technology and automation as one of its strategic objectives. The field of information technology in recent times is one of breathless change and development. In a short period of a couple of years, advances made in this field render previous arrangements almost redundant and irrelevant. In the light of changes in real life circumstances and new opportunities offered by the fast developing technology, new approaches are needed. The new CATA website is designed to provide additional information and services for members, improve communication between members as well as between the members and CATA Secretariat, and to employ new software that makes the management of the website easier, self reliant and cost affective.

The new website has several additional features in comparison to its previous version. It is designed for different "Groups" of users with different privileges. By default, all users are in the "users" group which gives them basic information access. This is the public side of the website which can be viewed by anyone. However, users can also be placed in the "Members" group, giving them access to additional information and services which are designed for the benefit of CATA members only. Another user Group is for the Management Committee, access to which will enable communication between members of the Management Committee on important matters. To gain access to a level other than for anonymous users, the site has a "Log in" facility for every registered user issued with a "Username".

The site has a private message function, which will allow members to post messages to each other. There is no message board, only a private messages inbox for each user. For operational ease, email is not involved in the process and messages will be handled solely within the site. To send a message to another user, or to check one's own messages, users must go to their inbox by clicking on the "Messages inbox" link. The site members' directory will give registered users access to other registered users email addresses, which may be a simpler way for members to keep in contact with each other.

"Mail Users" function will allow CATA Secretariat to send an email direct from the site, to any member or all members for that matter. This will provide a second email option to the Secretariat's existing arrangement. Members email addresses will be stored as part of their account details and in line with the easy usage emphasis built into the site. Registered users will maintain their own contact details, from their own account page helping to keep contact information updated through timely amendments by members themselves as soon as a change is warranted.

Another useful new feature is the "Events Calendar". Clicking on this link will take users to a fully featured online calendar that can be viewed by month, day, week, or year. In addition to that, the "Events" feature will show a list of the next five events coming up in the CATA diary, allowing members to view these dates at a glance.

The site also has a "Polls" feature that will allow CATA to obtain views from members on issues that require member's participation in any decision making or opinion formation process. Understandably, the first Poll relates to the new site itself and feedback from members about the new site will be very useful and important for its future development.

Fast and easy access to information and information sharing is an important element of strategic planning in

present times. Therefore, CATA would like to encourage its members to authorise linkages of their websites to CATA's new website. It is also an important approach to avoidance of duplication of information. There have been suggestions from time to time to make available on CATA's website, tax legislations of member countries. That requires massive amount of space usage but more importantly, while it may be possible to load information on that account, updating information based on frequent amendments to tax laws in 47 countries is an impossible task. However, linkages to members website which already have this information is a more practical, workable and cost effective solution. The new CATA website has an easy web linkage enabling facility.

The website will have information and documentation relating to all of CATA's training programmes, workshops and conferences. Members will be able to download all application and registration forms relating to training activities and technical conferences as and when required. The Inland Revenue Board of Malaysia have set up a website for the Twenty Fourth CATA Annual Workshop/Conference to be held in Kuala Lumpur, Malaysia during 8 – 12, December, 2003. That website can be accessed through the "CATA Conference" link on the Homepage. Information on both websites will be updated on an ongoing basis new as developments take place and conference related arrangements proceed ahead.

Given the very dynamic environment in which information technology developments take place, no website can claim to be complete and final at any given point in time. The new CATA website is still in the process of development and modification based on user response and issues that arise or ideas that emerge from its administrative operations and data feeding. Several additions are envisaged during the course of the year that can be achieved realistically within limited available resources. It is therefore very important that limited resources are used to create facilities that meet the requirements of members in the best possible manner and for that purpose creative ideas and suggestions for improvement will be most welcome. The address for the new CATA website remains unchanged from the previous site: "www.cata-tax.org".

CATA NEWS

COMMONWEALTH TAX

INSPECTORS COURSE

(CTIC) 2003

Preparations are on course for holding the Commonwealth Tax Inspectors Course (CTIC) 2003 for compliance/audit officials.

Dates:

Internet: 9 June – 18 July 2003

Residential: 3 August to 19 Sep 2003

Internet: 22 Sep – 31 March 2004

Course Director:

Peter Catchpole

Course Fee:

The Course Fee of **£7,900** will cover tuition costs, accommodation, most meals and reading materials.

Applications:

Applications for places on the Commonwealth Tax Inspectors Course should be forwarded to reach:

Mr Andrew Coombes

Inland Revenue International

Assistance

Victory House, 30 – 34 Kingsway

London WC2B 6ES

Tel No: +44 (20) 7438 8203

Fax No: +44 (02) 7438 6106

Email: Andrew.coombes@ir.gsi.gov.uk

Additional information and on-line application forms can be obtained through UK Inland Revenue web site at: www.inlandrevenue.gov.uk/intassist

Funding:

Potential participants who have sent in application forms are strongly advised

to start seeking their funding as soon as possible. **Given that the Confirmation of funding must be received by 27 June 2003, very early action is recommended.**

Late Application:

This programme is run with small number of delegates, as it is highly interactive and practical. It is therefore imperative that nominees meet the above deadline. Late cancellation by potential candidates could seriously affect the course and even cause it to be cancelled.

ADVANCING MANAGEMENT

POTENTIAL (AMP) 2003

Preparations to run the Advancing Management Potential (AMP) training programme for 2003 are also at an advanced stage. It is intended for a maximum of fifteen participants.

Dates:

Internet: 9 June – 18 July 2003

Residential: 3 August to 19 Sep 2003

Internet: 22 Sep – 31 March 2004

Course Director:

Alan Harley

Course Fee:

The Course fee of **£7,900**, per participant will cover tuition costs, accommodation, most meals and reading

materials.

Applications:

Applications should be forwarded to reach:

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Email: Andrew.coombes@ir.gsi.gov.uk

Additional information and on-line application forms can be obtained through UK Inland Revenue web site at: www.inlandrevenue.gov.uk/intassist

Funding:

Nominees are strongly advised to finalise their funding as soon as possible. **Confirmation of funding must be received by 27 June 2003.**

COMMONWEALTH MANAGEMENT DEVELOPMENT PROGRAMME (CMDP) 2003

The Commonwealth Management Development Programme for 2003 will be hosted by Tanzania from **8 September to 17 October 2003.**

The 6 weeks programme will be held at the Institute of Tax Administration, Dar es Salaam, Tanzania. CATA Secretariat issued the programme Circular on 27 March 2003. Circular No. 5 of 2003 is available on CATA's web site at:

www.cata-tax.org

TAXATION OF INTERNATIONAL TRANSACTIONS (TOIT) 2003

CATA's workshop on International Taxation for the year 2003 will again be hosted by the Malaysian Inland Revenue Board from **29 September to 17 October 2003.**

The Workshop will be held at the National Tax Academy, Inland Revenue Board, Bandar Baru Bangi, Selangor – MALAYSIA

The Workshop Circular No. 6 of 2003 dated 3 April 2003 is also available on the CATA web site at:

www.cata-tax.org

TWENTY FOURTH CATA ANNUAL TECHNICAL CONFERENCE/WORKSHOP & NINTH GENERAL MEETING

CATA's Twenty Fourth Annual Technical Workshop and Ninth General Meeting will be held in **Kuala Lumpur, Malaysia** during **7 to 12 December 2003**. The Ninth General Meeting will be held on the afternoon of Sunday, 7 December followed by the Technical Workshop commencing on Monday, 8 December 2003.

Venue:

The Conference will be held at **Istana Hotel** in Kuala Lumpur.

Contact particulars for the hotel are as follows:

Contact Person: Norma Nordin

Assistant Director of Sales

Tel.: (60-3) 21495594

Fax: (60-3) 21441245

Email: Norma.hik@meritus-otels.com

Web: ww.hotelistana.com.my

Details regarding hotel accommodation and other conference related information is available through CATA's Circular No. 3 of 2003 issued on 27 January 2003 and available on CATA's web site.

Topics:

The following two topics will be discussed at the Conference:

1. Self Assessment of Income Tax in CATA Countries

2. Human Resource Development

Background Papers:

Due date for submission of background papers was 30 March 2003. Thus far very few members have furnished their background papers. Those who have not sent in their background papers as yet are reminded to do so at the earliest.

ANNUAL MANAGEMENT COMMITTEE MEETING 2003

The Annual Meeting of the Management Committee of CATA was held in London on **14 and 15 May 2003**. It was a well attended meeting. The Committee discussed very important issues relating to the General Meeting in Malaysia on 7 December 2003. These included matters relating to CATA's accounts for the last three years, budgetary proposals and membership subscriptions for the next triennium.

The Committee also discussed the draft of the Second Strategic Plan of CATA which is to be presented for approval and adoption at the Ninth General Meeting.

Zambia to host the Twenty Fifth CATA Annual Conference in 2004

The Twenty Fifth CATA Annual Workshop/Conference will be hosted by Zambia around September 2004. The Conference will discuss the following two topics:

- **Strategies for widening the tax base**
- **Building Capacities in Revenue Agencies**

NOMINATION OF COUNTRY CORRESPONDENTS FOR 2002

The Management Committee of CATA has appreciated the contributions made by CATA's Country Correspondents in making the quarterly Newsletter an informative and useful publication. It also acknowledged their role in contributing to information displayed on CATA's web site. The Performance Evaluation Sub-Committee looked at specific contributions made by individuals and made recommendations accordingly. In the light of those recommendations, the Management Committee of CATA approved the following three persons as CATA's Country Correspondents for the year 2002 for their excellent contributions:

1. **Ms Nurul Aim B Ahmad** **Malaysia**
2. **Mrs Lesley A Modeste** **St. Lucia**
3. **Ms A Owuor** **Kenya**

NEW COMMISSIONER CCRA

Mr Alan Nymark, Deputy Minister of the Environment, becomes Commissioner of Customs and Revenue, effective 2 June 2003 and replaces Mr Robert A Wright, currently Commissioner. Mr Wright succeeds Mr Ronald Bilodeau, who is retiring from the Public Service after a distinguished career of 36 years to pursue new challenges in the private sector.

CHANGE OF COUNTRY CORRESPONDENT

Malaysia

Ms Asriah Shaari, has been nominated to take over as Malaysia's Country Correspondent for CATA in place of Ms Nurul Aim Binti Ahmad who has been transferred to another branch. Ms Ahmad performed splendidly during the year 2002 for which the Management Committee of CATA nominated her as one of CATA's Correspondents for the year. CATA wishes Ms Ahmad the very best in her new assignment.

HONOUR FOR MR. SAMBA SAYE

Mr Samba Ebrima Saye, the Commissioner of Income Tax for the Republic of the Gambia has been awarded one of his country's highest National Honours i.e. Officer of the Order of the Republic of The Gambia.

Mr Saye has been associated with CATA for several years and is very well respected for his commitment and contributions towards the Association's activities. CATA Secretariat offers heartiest congratulations to Mr Saye on behalf of all CATA members who would be delighted to hear the news.

NEW DEPUTY DIRECTOR AT CATA

Mr John Patterson has been seconded to the CATA Secretariat by the United Kingdom Inland Revenue Department for one year. He joined CATA on 7 April 2003. Mr Patterson brings with him rich experience in the field of international taxation and transfer pricing in particular. He will be working on a number of projects and additional activities envisaged for CATA in the draft Second Strategic Plan of CATA to be considered for approval at the Ninth General Meeting. Mr Patterson's contact particulars are as follows

Mr John Patterson

Deputy Director (Training & Development)

CATA Secretariat

Marlborough House

Pall Mall

London SW1Y 5HX

Tel: (44) 20 7438-9176

Email: John.Patterson@ir.qsi.gov.uk

OTHER NEWS

TWENTY-FIRST MEETING OF THE COMMONWEALTH MINISTERIAL ACTION GROUP on THE HARARE DECLARATION (CMAG)

Marlborough House, London,

19 - 20 May 2003

CONCLUDING STATEMENT

The Commonwealth Ministerial Action Group on the Harare Declaration (CMAG) met in London, on 19-20 May 2003. This was the Group's third meeting following its reconstitution by Commonwealth Heads of Government at Coolum in March 2002 and the twenty-first meeting since CMAG's establishment in November 1995. The meeting was chaired by the Hon Lt-General Mompoti S Merafhe, MP, Minister of Foreign Affairs and International Co-operation of Botswana, and was attended by the Hon Alexander Downer, MP, Minister of Foreign Affairs of Australia (Vice-Chairman), the Hon Frederick Mitchell, MP, Minister of Foreign Affairs of The Bahamas, the Hon M. Morshed Khan, MP, Minister for Foreign Affairs of Bangladesh, the Hon Yashwant Sinha, MP, Minister of External Affairs of India, the Hon Joe Borg, MP, Minister of Foreign Affairs of Malta, the Hon Sule Lamido, Minister of Foreign Affairs of Nigeria, and HE Tau'ili'ili Uili Meredith, High Commissioner for Samoa to the United Kingdom.

CMAG reviewed developments in the countries on its Agenda, namely Pakistan, Fiji Islands, Solomon Islands and Zimbabwe.

Pakistan

CMAG received a report from the Secretary-General on recent developments in Pakistan, in particular the role and functioning of democratic institutions since the October 2002 elections. The Group welcomed the progress made by Pakistan in the establishment of democratic institutions including the election of the National Assembly, the Senate and Provincial Assemblies, and the formation of democratic governments at the national and provincial levels. It also welcomed the positive measures taken for women's representation in the parliament, the representation of minorities and the determination to enhance public accountability and end corruption. The Group was encouraged by the continuing progress in the development and growth of democratic institutions. It requested the Secretary-General to remain engaged with the Government of Pakistan including with the provision of technical assistance to strengthen democratic processes and institutions.

CMAG noted that Parliament had remained deadlocked over the status of the Legal Framework Orders (LFO). The Group hoped that the dialogue between the Government and the opposition parties on outstanding issues, including the LFO, would be concluded successfully in the spirit of parliamentary practice and process. CMAG agreed to review Pakistan's suspension at its next meeting.

Fiji Islands

The Group received a report from the Secretary-General on developments in Fiji Islands. It welcomed the co-operation received from the Government of Fiji and progress made towards establishing the Supreme Court. CMAG noted that the case relating to the constitutionality of the formation of Fiji's Government was due to be

heard on 18 June 2003.

CMAG agreed to continue to monitor the situation in Fiji Islands pending the outcome of the court case. CMAG also requested the Secretary-General to remain engaged with Fiji Islands and offer appropriate technical assistance, as may be required by both parties following the court's decision. CMAG decided to keep Fiji on its agenda. Solomon Islands

CMAG received a report from the Secretary-General on the situation in Solomon Islands. The Group appreciated the economic assistance and support provided to Solomon Islands by Commonwealth Governments, especially by Australia and New Zealand. 10. CMAG agreed to continue monitoring the situation in Solomon Islands and keep it on its agenda. It requested the Secretary-General to remain engaged and provide appropriate technical assistance to the Solomon Islands.

Zimbabwe

CMAG received an update from the Secretary-General on recent developments in Zimbabwe. The Group noted the Commonwealth Statement on Zimbabwe of 16 March 2003, and the Secretary-General's Report to the 'Troika' subsequently circulated by the Chairperson-in-Office to all Commonwealth Heads of Government. CMAG maintained the decision taken at its last meeting to keep Zimbabwe on its agenda.

Next Meeting

The Group decided to meet in New York in September 2003 in the margins of the UN General Assembly.

COMMONWEALTH STATEMENT on ZIMBABWE

The Commonwealth Secretary-General, Don McKinnon, issued the following statement in London today.

"The Commonwealth Troika, mandated by Heads of Government to deal with the Zimbabwe issue, suspended Zimbabwe from the councils of the Commonwealth on 19 March 2002 for a period of one year. Under the Marlborough House Statement, the issue was to be revisited in twelve months time, 'having regard to progress in Zimbabwe based on the Commonwealth Harare principles and reports from the Commonwealth Secretary-General.' At their subsequent meeting in Abuja on 23 September 2002 the Commonwealth Troika decided to 'see how Zimbabwe responds to the Marlborough House Statement over the next six months as foreshadowed in that Statement, at which point stronger measures might need to be considered.'

"Members of the Troika, in reviewing the Zimbabwe issue, agreed that I should undertake wider consultations among Commonwealth governments. Accordingly, over the past few weeks, I have been listening to the views of and discussing the issue with virtually all leaders across the Commonwealth. They have all stated that they wish to see the Commonwealth continue to work together on the issue of Zimbabwe.

"Some member governments take the view that it is time to lift Zimbabwe's suspension from the councils of the Commonwealth when the one-year period expires on 19 March 2003. Some others feel that there is no justification for such a step and that there is in fact reason to impose stronger measures. However, the broadly held view is that Heads of Government wish to review matters at the Commonwealth Heads of Government Meeting (CHOGM) in Nigeria in December 2003 and that the suspension of Zimbabwe from the councils of the Commonwealth should remain in place pending discussions on the matter at CHOGM.

"I have advised members of the Troika of these views. I have also submitted to them my report as foreshadowed in the Marlborough House Statement.

"The members of the Troika have now concluded that the most appropriate approach in the circumstances is for Zimbabwe's suspension from the councils of the Commonwealth to remain in place until Commonwealth Heads of Government address the issue and decide upon a way forward at the CHOGM in December 2003.

"I wish to reiterate that Zimbabwe and its people matter to the Commonwealth. All the Heads of Government I have spoken to have urged me to persist with my efforts at engagement with President Mugabe and his government in the context of my good offices role. I intend to do so.

"The issue of land reform is at the core of the situation in Zimbabwe and cannot be separated from other issues of concern to the Commonwealth, such as the rule of law, respect for human rights, democracy and the economy. The Commonwealth and the wider international community remain ready to assist the Government of Zimbabwe in addressing this key issue. I once again call on the Zimbabwe Government to re-engage with the Commonwealth and the United Nations Development Programme on the issue of transparent, equitable and sustainable measures for land reform, as agreed at Abuja in September 2001. Commonwealth governments also look to the Government of Zimbabwe to honour its undertakings given to other regional leaders on issues of concern.

"The Commonwealth looks forward to Zimbabwe being able to regain its full and rightful place in the Commonwealth family."

COMMONWEALTH DAY 2003 STATEMENT BY COMMONWEALTH SECRETARY-GENERAL, DON MCKINNON

Commonwealth Day is an opportunity to remember the values, traditions and aspirations we all share as Commonwealth citizens.

The Commonwealth is a community of partners working together and pooling their energies to generate wealth, build consensus and secure a stable peace.

We are partners in development, using our shared knowledge and resources to reach out to millions of people in the Commonwealth who suffer from poverty and hunger. The Commonwealth uses its influence to help create a level playing field in international trade, bridge the digital divide and tackle the AIDS pandemic.

As we turn our minds to the next Commonwealth Heads of Government Meeting, which will take place from 5-8 December 2003 in Abuja, Nigeria, we must redouble our efforts to make globalisation more inclusive. If we are serious about eradicating poverty, fighting disease, opening the doors of learning and providing economic opportunities to everyone on the planet, we must ensure that every voice is heard in global economic forums and that the interests of the vulnerable are not excluded from discussions affecting their future.

The Commonwealth is also a partnership for peace and democracy, building trust and understanding between nations and providing a platform for global decision making. This role is very important, particularly today. What the world needs, now more than ever, is consensus building, not empire building. This is why international forums such as the Commonwealth can play a pivotal role - finding global solutions to global problems and encouraging multilateral decisions on issues that shape the world we share.

And of course, Commonwealth Day is when we remember that the Commonwealth is first and foremost, a partnership of people. The Commonwealth network comes alive in the efforts of thousands of individuals in some 70 organisations who, through their knowledge and expertise, help others in the Commonwealth achieve growth, strengthen their political institutions and enrich their communities.

The Commonwealth is not owned by governments, officials or civil servants. It is owned by the people. And it is through the joint efforts of Commonwealth citizens that we can collectively create better prospects and greater hope for all throughout the Commonwealth community.

COMMONWEALTH SECRETARY-GENERAL PAYS TRIBUTE TO WALTER SISULU

Commonwealth Secretary-General Don McKinnon has paid tribute to the veteran South African anti-apartheid leader, Walter Sisulu, who died earlier this week: "It was with deep sadness that I learned of the death of Walter Sisulu. Like Nelson Mandela, he was a towering figure in the struggle for freedom and democracy in South Africa and his moral leadership was an inspiration to all of us. The sadness, deep respect, admiration and gratitude expressed throughout South Africa is a more fitting testimonial to the accomplishments of Walter Sisulu than any tribute I could pay him. My thoughts and those of the Commonwealth family are with his family and friends and the people of South Africa at this time."

COMMONWEALTH SECRETARY-GENERAL VISITS BOTSWANA, MOZAMBIQUE AND ZAMBIA

Commonwealth Secretary-General Don McKinnon is visiting Botswana on the first leg of a Southern African tour, which will also take him to Mozambique and Zambia. Mr McKinnon will meet the leaders of these three countries for consultations on issues of common concern including the forthcoming meeting of Commonwealth Heads of

Government, scheduled to take place in Abuja, Nigeria, 5-8 December 2003.

The Secretary-General met the President of Botswana, Festus Mogae, in Gaborone this afternoon. He is also delivering the opening address at the Commonwealth Youth Ministers Meeting in Gaborone today.

Mr McKinnon will be in Maputo, Mozambique, from 29 to 31 May and will meet with President Joaquim Alberto Chissano.

He will then fly to Lusaka, Zambia, where he will meet with President Levy Mwanawasa on 2 June.

YOUTH PARTICIPATION IS IMPERATIVE FOR BUILDING A BETTER WORLD, SAYS COMMONWEALTH SECRETARY-GENERAL

"Young people need the opportunities to participate in the creation of stronger, healthier and wealthier communities. They want to be partners, not bystanders," Commonwealth Secretary-General Don McKinnon said today, at the opening ceremony of the Fifth Commonwealth Youth Ministers Meeting in Gaborone, Botswana.

Calling for greater participation of young people in the political process, the Secretary-General pointed out that, with young people making up 35 to 45 per cent of the Commonwealth today, youth participation is a demographic imperative.

"Young people don't want the older generation to tell them what to do to build a better world. They want to play an active part in building that world. They want their own ideas to be heard."

On the theme of the Meeting, 'Young People: Development Partners Against Poverty and HIV/AIDS', Mr McKinnon said, "These challenges are not problems for one continent, one country or one Commonwealth Youth Programme alone. They are challenges for all of us. We owe our younger generation honest solutions and resolute action."

The Secretary-General noted that a unique feature of the triennial Commonwealth Youth Ministers Meetings was the presence of a youth representative taking an active part in the discussions. He expressed the wish that a greater number of youth representatives should be present at future Youth Ministers Meetings, in order to strengthen young people's input in policy debate.

Mr McKinnon also stressed that young people are already making a significant contribution to the social and economic development of their communities: "young people are a force for social change and innovation. It is only when you seek answers to difficult questions that real social progress can be achieved."

COMMONWEALTH SECRETARY-GENERAL SAYS ZANZIBAR BY-ELECTIONS PROVIDE BASIS FOR 'FURTHER PROGRESS'

Commonwealth Secretary-General Don McKinnon said today that the by-elections held earlier this month in Pemba, Zanzibar, in the United Republic of Tanzania, provide a basis on which the democratic process in Zanzibar can go forward. He urged those involved in the democratic process to continue with the careful progress they have been making since the General Election of October 2000.

The Secretary-General was speaking after receiving the Report of the Commonwealth Expert Team which was present for the by-elections on 18 May 2003. He said that it was clear from the Report that while there were lessons to be learned for the future, the elections provided a basis on which all concerned could move forward. Mr McKinnon noted that there had been a massive and peaceful turnout by the voters, generally the political parties had behaved responsibly, the Zanzibar Electoral Commission (ZEC) had worked hard to ensure that the arrangements went smoothly and the police deserved credit for their conduct.

The Secretary-General noted that considerable progress had been made in Zanzibar in the last 18 months in building trust and confidence in the democratic process and that the seventeen by-elections held in Pemba marked a further important stage in that process.

Mr McKinnon said: "In the weeks and months to come the political parties and all others who are engaged in the democratic process in Zanzibar must continue to work together to build on the atmosphere of calm and tolerance which was so evident during these elections. Everyone involved should continue to do all they can to consolidate

the positive democratic developments in Zanzibar and to ensure further progress prior to the 2005 General Elections."

The Secretary-General said that the experts had "made some suggestions for improvements regarding future elections" and that he would be offering further Commonwealth technical assistance in this context.

"PUT THE POOR FIRST" SECRETARY-GENERAL URGES G8 LEADERS

Commonwealth Secretary-General Don McKinnon has sent a strong message to G8 leaders ahead of their summit next week in Evian, France. Protectionist policies in the rich world continue to harm the development prospects of poor countries, particularly in Africa, he warns, in a letter sent to all G8 leaders. Mr McKinnon urges them to show leadership to mobilise the political will needed to support the development agenda.

While developing countries are told to trade their way out of poverty, he says, they are impeded by two factors: rich countries awarding themselves agricultural subsidies, allowing them to 'dump' products on developing countries; and high trade barriers which prevent the developing world from accessing rich countries' markets.

Mr McKinnon outlines the action leaders in the industrialised world must take to prove their commitment to fighting global poverty.

The Secretary-General call upon the G8 summit to:

- give the highest priority to securing early agreements on agriculture, affordable drugs and special and differential treatment in trade
- boost economic growth in poor countries by encouraging the International Monetary Fund to increase its concessional financing for exogenous shocks
- support the UK Chancellor of the Exchequer's proposal for an International Financing Facility to double aid flows to US\$ 100 billion
- broaden the approach to debt relief by linking it to the financing needs of nationally owned and internationally supported poverty reduction strategies and the achievement of the millennium development goals
- address the challenges faced by small and vulnerable states and their special needs in the context of globalisation.

'WOMEN ARE CENTRAL IN THE FIGHT AGAINST POVERTY'

In his message to mark International Women's Day on 8 March 2003, Commonwealth Secretary-General, Don McKinnon said:

Women earn one-tenth of the world's income, own less than one-tenth of the world's property and hold 1 per cent of chief executive positions worldwide. The number of rural women living in poverty has nearly doubled in the past 20 years, and women make up over 70 per cent of the world's 3 billion poor who live on less than 2 dollars a day.

If we want to make real headway in the fight against poverty, women must be at the heart of our strategy.

As we celebrate International Women's Day, we should recognise that the empowerment of women is key to addressing the development issues we are facing today.

Women's empowerment has been shown to play a critical factor in controlling the spread of the HIV/AIDS global pandemic. Women's education contributes the most to reducing child mortality, malnutrition and population growth, and increasing women's ability to change their lives. Over the last few years, a great deal has been achieved. Women's representation in parliaments has increased and now reaches, on average, 15 per cent globally. Political participation of women ensures that gender is put on the agenda and action taken. We at the Commonwealth

Secretariat are trying to achieve this. Working in partnership with the Government of Sierra Leone and civil society groups, last year, we held a conference in the capital, Freetown, to discuss the role that women can play in parliament. At this conference all of Sierra Leone's main political parties agreed that women would form at least 30% of the candidates they presented to the electorate. In the elections, which were held three months later, the number of elected women parliamentarians increased from 8.8% to 14.3%.

Women are also making invaluable contributions towards post-conflict reconstruction efforts in Mozambique, Sierra Leone, Sri Lanka, and other countries recovering from the trauma of war. Such initiatives must continue to be implemented and sustained.

But despite these achievements, serious gaps remain between women and men, affecting the development of the societies in which they live and work. In many countries, women are not getting their fair share in the development process, and in others they are becoming poorer in absolute terms. Efforts to promote productivity of the poor are still largely targeted at men while women are expected to carry on contributing to household livelihoods and caring for the family with little or no support for their efforts. Gender inequality still remains the most pervasive form of inequality, and is most severe among the poor. Thus the Millennium Declaration signed by 189 world governments, with a focus on poverty, shelter and hunger, makes an explicit commitment to gender equality. Gender equality is essential to building long-term, sustainable and equitable development. Increasing women's access to education and literacy, paid work, particularly waged employment and political representation can bring real change to the lives of communities throughout the Commonwealth.

I urge all Commonwealth governments to increase their efforts and provide a solid foundation for the advancement of gender equality in this century. If we are serious about achieving the Millennium Development Goals, we must make sure our commitment to the empowerment of women and gender equality is translated into reality.

"TRADE ACCESS IS A MATTER OF LIFE OR DEATH FOR THE POOR" SAYS

SECRETARY-GENERAL

Commonwealth Secretary-General Don McKinnon repeated his appeal to developed countries to deliver on promises to phase out agricultural subsidies. Speaking at the Liu Institute for Global Issues in Vancouver, Canada, he said: "They must accept that there is no alternative to phasing out agricultural subsidies. For as long as developing countries are cut off from markets in the rich world, they stand no real chance of lifting themselves out of poverty. For them, trade access is literally a matter of life or death."

Referring to the recent failure of World Trade Organisation members to agree on guidelines for agricultural reform, Mr McKinnon said: "If we are serious about tackling poverty in the world, we need to change the way we think about global trade. Some countries continue to oppose efforts to bring about genuine reform in agricultural trade and the provision of affordable drugs for the poor. The stark truth is that if they do not change their stand, they will have blood on their hands."

In his lecture, hosted by Dr Lloyd Axworthy, Director and CEO of the Liu Institute, Mr McKinnon also underlined the importance of multilateralism as a mechanism for managing relations between states after the Cold War. "We must make sure that the new international order is generated through an inclusive process which enjoys the support of everyone involved. The aim must not only be to re-order the world, but also to reconcile the people of the world. The Commonwealth, where all member countries sit at the table as equals, can play an important role in resolving conflicts and fostering dialogue between nations."

NEWS FROM MEMBERS

MALAYSIA

Country Correspondent:

Madam Asriah Shaari

Past Position

Currently, resident individuals are liable to income tax between 0% and 28% while non-resident individuals are

taxed at a flat rate of 28%. In addition, individual residents are eligible for various tax relief and rebates.

An individual is required to be in Malaysia for at least 182 days in any year to qualify for resident status for the purposes of income tax. However, an individual who is in Malaysia for less than 182 days in any year is eligible for residence status for that year if the said period of less than 182 day is linked to another period of consecutive stay of 182 days in a preceding or following year. Both these periods (i.e. less than 182 days and at least 182 days) are deemed linked, if the individual was in Malaysia on 31 December of that year and 1 January of the following year [S7(1)(b)].

The compulsory stay in Malaysia on 31 December and 1 January in order to qualify for residence status poses an inconvenience for expatriates who are employed in Malaysia as they may be out of the country during that period.

Present Position

In order to relax the condition for resident status, the requirement for an individual to be in Malaysia on 31 December of the current year and 1 January of the following year is abolished. His absence during the 2 days is to be deemed as part of the period of temporary absence currently allowed.

This position is effective from the year of assessment 2003.

MALTA

Country Correspondent:

Mr Carmel Conti

As mentioned in a previous newsletter, the Malta Inland Revenue Department has recently launched its new web-site: www.ird.gov.mt.

This web-site, in line with current Government practices, besides being an important means of information to taxpayers, is also being used as a tool in providing electronic-based services.

These services include items such as:

- "Income Tax Return Calculator". This calculator can be used to help taxpayers to fill in the income tax return as well as calculate the income tax due to the Department.
- "Social Security Contribution Calculator". This calculator is intended to help taxpayers determine and calculate Social Security Contributions (SSC) depending on the contribution class applicable to their income.
- "Interactive Forms". The Interactive payment forms page allows taxpayers to generate remittance slips for processing through the Inland Revenue's **Automated Cheques Processing** system. This service helps in increasing accuracy and decreasing processing times of cheque payments.
- "Downloads". With this service taxpayers can download the Department's prescribed forms which may be used instead of the relative pre-printed stationery.

As regards the dissemination of technical information to the public, the Department is in the process of adding to the summaries of the Court of Appeal decisions which are already on the site. Together with these, there will also be shortly a new set of decisions of the Board of Special Commissioners.

The decisions of the Court of Appeal and Board of Special Commissioners are of great importance in income tax matters in Malta and have helped, over the years, as a guidance to the interpretation of various provisions of the Income Tax Acts.

SINGAPORE

Country Correspondent:

Mr Andy Seah Yong Luck

IRAS Refines Corporate Vision

1. IRAS has recently concluded its medium-term Corporate Planning Exercise in which it charted its strategic direction for the next 5 years. IRAS has refined its Vision to read:

The leading tax administration in the world.

A partner of taxpayers in nation building.

an eXcellent team of competent and committed people.

2. The refined Vision will take IRAS to greater heights in the coming years.

Government Budget

1. Many tax changes have been announced in this year's government budget. Some of the more significant ones include:

(a) Tax exemption on foreign dividends, branch profits and services income that were taxed in a foreign jurisdiction with a headline tax rate of at least 15% remitted back to Singapore.

(b) Tax exemption on interest income derived by resident individuals from standard domestic savings, current and fixed deposits.

(c) Introduction of a new property tax rebate for commercial and industrial properties for the period 1 July 2003 to 31 December 2003.

2. More details on the Budget Statement can be found in the electronic tax guide "Budget Changes Information From Budget Statement 2003" available on the IRAS website (<http://www.iras.gov.sg>).

Changes to Withholding Tax Regime

1. Currently, the Singapore Income Tax Act (SITA) provides that where a person is liable to pay to another person not known to him to be resident in Singapore any interest, royalties etc. that are chargeable to tax under the SITA, the person is to deduct the tax at the appropriate rate of tax, and to give the Comptroller of Income Tax (CIT) a notice of the deduction.

2. With effect from 1 April 2003, payers are required to notify and pay the tax withheld to the CIT by the 15th of the month following the date of payment of the income to a non-resident person. In line with this change, late payment penalties will be imposed only if the tax withheld is not made to the CIT by the same date. The changes are effective for all payments of income with date of payment from 1 April 2003 onwards.

3. More details can be found in the electronic tax guide "Clarification on Date of Payment of Income for the Purposes of Withholding Tax under Section 45 of the Singapore Income Tax Act and Changes to the Withholding Regime which takes effect from 1 April 2003" available on the IRAS website (<http://www.iras.gov.sg>).

E-Filing Gains Popularity

1. IRAS offers taxpayers the option to file their tax returns via the phone or over the Internet. This easy

and convenient service has been gaining in popularity over the years. This year, a record 60% of tax returns received were filed through the phone or the Internet, compared to 55% last year.

2. More details on our E-Filing success can be found in our press statement "IRAS – 60% E-Filed This Year" available on the IRAS website (<http://www.iras.gov.sg>).

Rebates to Alleviate Economic Impact of SARS

1. The Government decided to give additional property tax rebates for commercial properties to relieve the economic impact of SARS. Owners of commercial properties from 1 May 2003 will enjoy an additional rebate of \$2000 plus 10% of the property tax payable in 2003, after the existing rebates.

2. Gazetted tourist hotels have been especially hard hit by the SARS outbreak. Therefore, they will be given the higher rebate of \$2,000 plus 30% of the property tax payable, after the existing rebates.

3. More details can be found in our press statement "Additional Property Tax Rebates to Relieve Economic Impact of SARS – Computation" available on the IRAS website (<http://www.iras.gov.sg>).

THE GAMBIA

Country Correspondent:

Mr Alieu Jarboh

Mr Samba Ebrima Saye, the Commissioner of Income Tax for the Republic of the Gambia has been awarded one of his country's highest National Honours i.e. Officer of the Order of the Republic of The Gambia.

At a colourful ceremony at State House in Banjul, The Gambia on Friday 25 April 2003, the President of the Republic of The Gambia, Dr Yaya Jammeh, exercising the powers vested in him under Article 5(1) of the Honour Warrant Cap 31:03 Vol. VI of the Laws of The Gambia and Section 83 of the Constitution of the Republic of The Gambia 1997 bestowed the prestigious award of Officer of the Order of the Republic of The Gambia (ORG) to Mr Saye.

Mr Saye has held the office of the Commissioner of Income Tax since April 1994 and during these periods the revenues collected have increased remarkably. In appreciation of his selfless service and devotion to duty, the medal (ORG) was conferred to him.

UNITED KINGDOM

Country Correspondent:

Mrs Jas Sahni

Recognition for Inland Revenue Continuous Improvement in Excellent Customer Service

Fourteen offices have achieved the Charter Mark award this year. The offices are from all areas of the UK and represent the many and varied businesses of the Inland Revenue.

These successes are similar in number to the previous year when the Inland Revenue also won 14 awards. Charter Mark is an integral part of the Modernising Government programme. It is the UK Government's award scheme for excellent service to the customer - for public services that go that extra mile. Charter Marks are awarded for three years, after which organisations must apply to renew their award. To win another Charter Mark, organisations must show real improvements in service. Any public service that provides direct services to the public, and manages its own staff and budget can apply for a Charter Mark. Charter Mark may be withdrawn by the judging panel if standards fall below the high quality expected of a Charter Mark holder.

Double Taxation Conventions: South Africa Jordan USA, and Taiwan

The new Double Taxation Conventions with South Africa, Jordan and the USA and the Double Taxation Agreement in relation to Taiwan have now entered into force. The Convention with South Africa replaces an existing Convention that was concluded on 21 November 1968.

The text of each can be accessed on the Internet at <http://www.hmso.gov.uk>.

The effective dates are as follows:

In the UK

- South Africa
- Taiwan
- Jordan
For income tax and capital gains tax, 6 April 2003.
For corporation tax, 1 April 2003.
- USA
For tax withheld at source, 1 May 2003.
For income tax and capital gains tax, 6 April 2003.
For corporation tax, 1 April 2003.
For petroleum revenue tax, 1 January 2004.

In partner territory

- South Africa
- Taiwan
- Jordan
1 January 2003.
- USA,
For tax withheld at source, 1 May 2003.
For other taxes, 1 January 2004.

Double Taxation Convention with Mauritius

A new Protocol to the Double Taxation Convention between the UK and Mauritius was signed in Mauritius on 27 March 2003. The Protocol amends the Convention by updating provisions designed to prevent misuse of the Convention by individuals and trustees seeking to avoid capital gains tax.

The Protocol is available on the Inland Revenue's web site, at www.inlandrevenue.gov.uk/pdfs/ukmauritiu.pdf, and will be published in due course as a schedule to a draft Order in Council and laid before the House of Commons for approval. When the Protocol enters into force, the amendments will have effect from 1 July 2003 in Mauritius. In the UK they will have effect from 1 April 2003 for corporation tax purposes, and from 6 April 2003 for income tax and capital gains tax purposes.

New Revenue Leaflet Aimed at Overseas Companies Operating in the Construction Industry Scheme

The Inland Revenue has published a new leaflet for non UK-resident contractors and subcontractors operating in

the Construction Industry Scheme (CIS). The leaflet gives advice on the scheme and also provides details of a central point of contact, at the Centre for Non Residents (CNR) in Nottingham.

In addition, from 10 March 2003 non-resident companies that do not have a permanent establishment in the UK are able to register for CIS with the CNR, rather than with a local tax office. Companies that have a permanent establishment in the UK will continue to deal with the office that holds their Corporation Tax records.

The Centre for Non-residents is part of Revenue Policy: International, and its Nottingham office currently deals with claims made by non-resident companies under double taxation agreements in respect of loan interest and royalties, and the Self Assessment records of non-resident companies that receive income from UK property.

These changes will not affect the way that non-resident companies operating through a permanent establishment in the UK are dealt with for CIS purposes.

Finance Bill 2003

The Finance Bill 2003, published on 16 April 2003, included measures to close loopholes in the loan relationships regime, a minor amendment to existing powers to exchange information under double taxation agreements and Tax Information Exchange Agreements and a measure to close a loophole in the CFC rules to prevent avoidance of UK tax on profits from extended warranties, credit insurance and similar products.

Modernising Pay As You Earn Legislation

New proposals to modernise the legislation for Pay As You Earn (PAYE) were published on 16 April 2003. The PAYE regulations were introduced in 1944 when PAYE started. Since then they have been amended and consolidated many times. But their language and structure are recognisably the same as they were nearly 60 years ago.

The minor changes proposed in the Finance Bill 2003 allow the regulations to set out clearly how PAYE has been used in practice – for example to allow employees and pensioners to pay tax on other income through PAYE rather than in a lump sum to the Inland Revenue. This does not involve any changes in practice for employers or employees.

Countering Cross-Border Tax Evasion by Individuals

The Finance Bill 2003 included legislation to enable the Inland Revenue to collect information automatically about the payment of savings income to overseas residents, and to exchange it with other countries. In particular, it will enable the UK to implement the draft European Directive on the Taxation of Savings once it is adopted. The European Council reached political agreement on key aspects of the Directive in January 2003. The Directive will help combat cross-border tax evasion by individuals by enabling the UK and other EU countries to ensure that savings income is correctly reported.

The details of the scheme will be contained in regulations. There will be consultation on the details, and on the regulations themselves, once the text of the Directive has been published.

The UK Government is committed to fostering co-operation between tax authorities and using exchange of information on as wide a basis as possible, to ensure payment of the right amount of tax on cross-border income from savings. This principle was endorsed at the Feira European Council in June 2000.

Businesses and public bodies that make savings income payments to, or collect savings income payments for, individuals resident overseas will have to report details on the individuals, and the payments made, to the Inland Revenue. This will include payments by:

- building societies, banks and other deposit-takers;
- registrars, custodians and nominees;

- authorised unit trusts and open-ended investment companies; and
- any other person who makes savings income payments in the course of their business (for example, lawyers and stockbrokers).

Reports will be made annually. The details that have to be reported about individuals will include information on their identity and residence. Different rules will apply depending on whether individuals became a customer of the paying agent before or after 1 January 2004.

The Directive will not take effect before 1 January 2005. The precise date is dependent on by when EU countries have reached agreements with certain dependent territories and third countries.

Tax authorities are required to provide information to other tax authorities within six months of the end of their fiscal year. If the Directive takes effect from 1 January 2005, then the first reports, covering the period from 1 January to 5 April 2005, will be required by 30 June 2005. This will enable the Inland Revenue to process and collate the reports, and provide information to overseas tax authorities by 5 October 2005.

Consultation with interested parties in the UK will be launched when the agreed text of the Directive is published, and the description of the scheme set out above is based on the current draft.