



FINAL REPORT

**45th Study Group on Asian Tax Administration
and Research (SGATAR) Meeting
24th – 26th November 2015
Singapore**

Report of the 45th SGATAR Meeting

Contents

1. Introduction	4
2. Heads of Delegation Forum – First Session	4
3. Preliminary Session	5
3.1 Election of Chairperson of the 45 th SGATAR Meeting.....	5
3.2 Address by Secretary-General of the 45 th SGATAR Meeting	5
3.3 Responding Address on Behalf of Delegates	5
4. Opening Ceremony	6
4.1 Address by Chairperson of the 44 th SGATAR Meeting.....	6
4.2 Address by Chairperson of the 45 th SGATAR Meeting.....	6
4.3 Address by Guest of Honour of the 45 th SGATAR Meeting.....	6
5. Heads of Delegation Forum	6
6. Working Group Programme	7
7. Plenary Session	8
7.1 Remarks by Chairperson of the 45 th SGATAR Meeting.....	8
7.2 Presentation of Working Group Reports by Rapporteurs	8
7.3 Presentation of Report on Heads of Delegation Forum by Secretary-General	9
7.4 Acceptance of Final Report	9
8. Closing Ceremony	9
8.1 Remarks by Secretary-General.....	9
8.2 Election of Host of the 46 th SGATAR Meeting.....	10
8.3 Address by Head of Delegation Representing Host of the 46 th SGATAR Meeting....	10
8.4 Address by Representative of Heads of Delegation	10
8.5 Closing Address by Chairperson of the 45 th SGATAR Meeting	10
8.6 Handover of SGATAR Flag to Host of the 46 th SGATAR Meeting	11

APPENDIX I	REPORT ON HEADS OF DELEGATION FORUM.....	13
APPENDIX II	SPEECH AT PRELIMINARY SESSION	21
APPENDIX III	SPEECHES AT OPENING CEREMONY.....	24
APPENDIX IV	WORKING GROUP FINAL REPORT	31
APPENDIX V	SPEECHES AT CLOSING CEREMONY.....	45
APPENDIX VI	ANNUAL MEETING SUMMARY	51
APPENDIX VII	LIST OF PARTICIPANTS.....	56

1. Introduction

The 45th Study Group on Asian Tax Administration and Research (“SGATAR”) Meeting was held at the Marina Bay Sands Expo and Convention Centre in Singapore from 24th to 26th November 2015.

Delegates from 16 SGATAR Member jurisdictions – Australia, Cambodia, People’s Republic of China, Hong Kong, China, Indonesia, Japan, Republic of Korea, Macao, China, Malaysia, Mongolia, New Zealand, The Philippines, Singapore, Chinese Taipei, Thailand and Vietnam – participated in the Meeting. Papua New Guinea was unable to attend the Meeting this year.

Observers from 4 jurisdictions and 6 organisations participated in the Meeting this year. They represented the tax administrations of Fiji, France, Maldives and Vanuatu, as well as Asian Development Bank (“ADB”), Asia-Oceania Tax Consultants’ Association (“AOTCA”), International Bureau of Fiscal Documentation (“IBFD”), Organisation for Economic Co-operation and Development (“OECD”), the United Nations Economic and Social Commission for Asia Pacific (“UNESCAP”) and World Bank Group (“WBG”).

(The list of participants is in Appendix VII.)

2. Heads of Delegation Forum – First Session

Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore, opened the Heads of Delegation Forum and welcomed all Heads of Delegation to Singapore. Commissioner Tan gave a brief overview of the Meeting and introduced Mrs Chia-Tern Huey Min, Deputy Commissioner of the Inland Revenue Authority of Singapore, as the Secretary-General of the 45th SGATAR Meeting.

The Meeting Agenda and Programme, as well as the Working Group Protocol of the 45th SGATAR Meeting, were adopted. The Chairpersons and Rapporteurs of the three SGATAR Working Groups, as well as the Chairperson and members of the Drafting Committee, were also appointed.

(The first session of the Heads of Delegation Forum replaced the traditional Steering Committee Meeting, which was a similar platform for the Heads of Delegation to consider and agree on matters relating to the proceedings of the Meeting.)

The Report on Heads of Delegation Forum is in Appendix I.)

3. Preliminary Session

The Preliminary Session of the 45th SGATAR Meeting was held in the Jasmine Ballroom, Marina Bay Sands Expo and Convention Centre, Singapore on 24th November 2015 with all delegates and observers in attendance. Ms Angela Ang was the master of ceremonies for the proceedings.

3.1 Election of Chairperson of the 45th SGATAR Meeting

Mr Chris Jordan AO, Commissioner of the Australian Taxation Office and Chairperson of the 44th SGATAR Meeting, facilitated the election of the Chairperson of the 45th SGATAR Meeting. Mr Sun Ruibiao (People's Republic of China) proposed Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore, as the Chairperson of the 45th SGATAR Meeting. This proposal was seconded by Mr Suryo Utomo (Indonesia). Mr Chris Jordan AO declared Mr Tan Tee How as the Chairperson of the 45th SGATAR Meeting. Mr Tan Tee How accepted the role and expressed his appreciation to Mr Chris Jordan AO for his capable leadership as the 44th SGATAR Chairperson over the past year and to the Members for their continued support during his term as the 45th SGATAR Chairperson.

3.2 Address by Secretary-General of the 45th SGATAR Meeting

Secretary-General, Mrs Chia-Tern Huey Min, welcomed the delegates to the Meeting and provided a report on the Heads of Delegation Forum session in the morning of 24th November 2015. She outlined the proposals adopted by the Heads of Delegation:

- Agenda and Programme of the 45th SGATAR Meeting
- Working Group Protocol
- Chairpersons and Rapporteurs of the Working Groups
- Chairperson and Members of the Drafting Committee.

3.3 Responding Address on Behalf of Delegates

Tan Sri Dr Mohd Shukor Mahfar, Chief Executive Officer of the Inland Revenue Board of Malaysia, provided a responding address on behalf of the delegates of SGATAR 2015.

(The responding address on behalf of delegates is in Appendix II.)

4. Opening Ceremony

The Opening Ceremony of the 45th SGATAR Meeting was held in the Jasmine Ballroom, Marina Bay Sands Expo and Convention Centre, Singapore on 24th November 2015 with all delegates and observers in attendance. Ms Angela Ang was the master of ceremonies for the proceedings.

4.1 Address by Chairperson of the 44th SGATAR Meeting

Mr Chris Jordan AO, Commissioner of the Australian Taxation Office, delivered an address as the outgoing Chairperson of the 44th SGATAR Meeting.

(The address by the Chairperson of the 44th SGATAR Meeting is in Appendix III.)

4.2 Address by Chairperson of the 45th SGATAR Meeting

Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore, delivered an address to delegates as the newly elected Chairperson of the 45th SGATAR Meeting.

(The address by the Chairperson of the 45th SGATAR Meeting is in Appendix III.)

4.3 Address by Guest of Honour of the 45th SGATAR Meeting

The Meeting's Guest of Honour, Ms Sim Ann, Senior Minister of State for Culture, Community and Youth & Finance, Singapore, delivered an address to the delegates and declared the 45th SGATAR Meeting officially opened.

(The address by the Guest of Honour is in Appendix III.)

5. Heads of Delegation Forum

The remaining sessions of the Heads of Delegation Forum of the 45th SGATAR Meeting were held from 24th to 26th November 2015. The sessions were chaired by Chairperson of the 45th SGATAR Meeting, Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore.

Secretary-General, Mrs Chia-Tern Huey Min, facilitated the discussion of the following agenda items during these sessions:

- Update on the 17th SGATAR Working Level Meeting
- Update on the 13th SGATAR Joint Training Programme
- Hosting of the 46th and 47th SGATAR Meetings
- Report and Recommendations from the SGATAR Taskforce
- Capacity-Building in Tax – Presentations by Observer Organisations
- Presentation and Endorsement of Working Group Recommendations
- Discussion and Agreement on SGATAR Work Programme
- Discussion and Agreement on Annual Meeting Summary

The Heads of Delegation also prepared one-page summaries of the priorities of their respective tax administrations, which were included in the package circulated to all Heads of Delegation at the start of the Meeting. As the agenda for the Heads of Delegation Forum was full, Heads of Delegation were not required to deliver presentations on the priorities of their tax administrations.

*(The Report on Heads of Delegation Forum is in Appendix I.
The Annual Meeting Summary is in Appendix VI.)*

6. Working Group Programme

Working Group participants comprised delegates from SGATAR Members and observers from non-Member jurisdictions and international/ regional organisations. They discussed issues and made recommendations to address challenges around the following three topics:

- Improving the Compliance of Small and Medium Enterprises
- Improving the Taxpayer's Experience with the Tax Authority Efficiently and Effectively; and
- Implementing and Using Country-by-Country Reporting.

Through presentations, small group discussions and large group sharing sessions, participants exchanged experiences and views about the three topics. The Working Group Chairpersons facilitated the discussions to enable participants to identify common issues and formulate recommendations to address such issues. The Working Group Rapporteurs documented the pertinent points of the discussion and recommendations, and presented an overview of their respective reports at the Plenary Session on 26th November 2015. The Chairpersons and Rapporteurs were ably assisted by Facilitators and Assistant Rapporteurs from Singapore.

The Working Group Final Report, comprising the individual reports from each Working Group prepared by the respective Rapporteurs, was also agreed upon by the Drafting Committee members at the final Drafting Committee session on 26th November 2015.

(The Working Group Final Report is in Appendix IV.)

7. Plenary Session

The Plenary Session of the 45th SGATAR Meeting was held in the Jasmine Ballroom, Marina Bay Sands Expo and Convention Centre, Singapore on 26th November 2015 with all delegates and observers in attendance. Ms Angela Ang was the master of ceremonies for the proceedings.

7.1 Remarks by Chairperson of the 45th SGATAR Meeting

Chairperson of the 45th SGATAR Meeting, Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore, welcomed all delegates to the Plenary Session of the 45th SGATAR Meeting. He expressed his appreciation to all participants for their hard work and valuable contributions to the Final Report, particularly the enthusiasm and dedication demonstrated by the Working Groups participants and the Drafting Committee members.

7.2 Presentation of Working Group Reports by Rapporteurs

Secretary-General, Mrs Chia-Tern Huey Min, called upon each Rapporteur to present the reports of their respective Working Groups.

The Rapporteur of Working Group 1, Mr Philip Poon (Hong Kong, China), presented the report and recommendations on the topic "Improving the Compliance of Small and Medium Enterprises".

The report and recommendations for Working Group 2 were presented by the Rapporteur, Ms Sanityas Jukti Prawatyani (Indonesia) on the topic "Improving the Taxpayer's Experience with the Tax Authority Efficiently and Effectively".

For Working Group 3, the report and recommendations were presented by Mr Peter Lawrey (New Zealand) on the topic "Implementing and Using Country-by-Country Reporting".

(The Working Group Final Report is in Appendix IV.)

7.3 Presentation of Report on Heads of Delegation Forum by Secretary-General

Secretary-General, Mrs Chia-Tern Huey Min, presented a report on the key decisions made by the Heads of Delegation during the Heads of Delegation Forum. She noted that the Heads of Delegation had endorsed the recommendations made by the SGATAR Taskforce and the SGATAR Working Groups. She also outlined the 2016 SGATAR Annual Work Programme.

(The decisions made by the Heads of Delegation were captured in the Annual Meeting Summary, which is in Appendix VI.)

7.4 Acceptance of Final Report

Secretary-General, Mrs Chia-Tern Huey Min, facilitated the acceptance of the Meeting's Final Report. Mr Suwannapirom Ronnawat (Thailand) proposed the acceptance of the Final Report. This proposal was seconded by Mr Richard Wong (Hong Kong, China). Secretary-General, Mrs Chia-Tern Huey Min, formally confirmed the acceptance of the Final Report.

8. Closing Ceremony

The Closing Ceremony of the 45th SGATAR Meeting was held in the Jasmine Ballroom, Marina Bay Sands Expo and Convention Centre, Singapore on 26th November 2015 with all delegates and observers in attendance. Ms Angela Ang was the master of ceremonies for the proceedings.

8.1 Remarks by Secretary-General

Secretary-General, Mrs Chia-Tern Huey Min, welcomed all delegates to the Closing Ceremony of the 45th SGATAR Meeting.

8.2 Election of Host of the 46th SGATAR Meeting

Secretary-General, Mrs Chia-Tern Huey Min, facilitated the election of the host of the 46th SGATAR Meeting in 2016. Mr Hiroshi Nakahara (Japan) proposed New Zealand as the host of the 46th SGATAR Meeting. This proposal was seconded by Mr Ariunsan Baldanjav (Mongolia). Ms Naomi Ferguson, Commissioner and Chief Executive Officer of the New Zealand Inland Revenue and Head of Delegation of New Zealand, confirmed New Zealand's willingness to host the 46th SGATAR Meeting.

8.3 Address by Head of Delegation Representing Host of the 46th SGATAR Meeting

Ms Naomi Ferguson, Commissioner and Chief Executive Officer of the New Zealand Inland Revenue, delivered an address as the Head of Delegation representing Host of the 46th SGATAR Meeting.

(The address by the Head of Delegation representing Host of the 46th SGATAR Meeting is in Appendix V.)

8.4 Address by Representative of Heads of Delegation

Ms Kim Jacinto-Henares, Commissioner of the Bureau of Inland Revenue of The Philippines, delivered an address to all delegates as Representative of the Heads of Delegation.

(The address by the Representative of Heads of Delegation is in Appendix V.)

8.5 Closing Address by Chairperson of the 45th SGATAR Meeting

Chairperson of the 45th SGATAR Meeting, Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore, delivered a closing address to the delegates.

(The closing address by Chairperson of the 45th SGATAR Meeting is in Appendix V.)


8.6 Handover of SGATAR Flag to Host of the 46th SGATAR Meeting

Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore, representing the Host of the 45th SGATAR Meeting handed over the SGATAR Flag to the Head of Delegation for New Zealand, Ms Naomi Ferguson, Commissioner of New Zealand Inland Revenue, representing the Host of the 46th SGATAR Meeting.



APPENDIX I

REPORT ON HEADS OF DELEGATION FORUM

- Proposal and Adoption of Meeting Agenda, Programme and Working Group Protocol
 - Nomination and Election
 - Chairpersons and Rapporteurs of Working Groups
 - Chairperson and Members of Drafting Committee
 - Update on the 17th SGATAR Working Level Meeting
 - Update on the 13th SGATAR Joint Training Programme
 - Hosting of the 46th and 47th SGATAR Meetings
 - Report and Recommendations from the SGATAR Taskforce
 - Capacity-Building in Tax – Presentations by Observer Organisations
 - Presentation and Endorsement of Working Group Recommendations
 - Discussion and Agreement on SGATAR Work Programme
 - Discussion and Agreement on Annual Meeting Summary
- 

1. Opening of the Heads of Delegation Forum

- 1.1 The Heads of Delegation Forum was held in Saraca Room, Marina Bay Sands Expo & Convention Centre from 24th to 26th November 2015.
- 1.2 Mr Tan Tee How, Commissioner and Chief Executive Officer of Singapore, opened the Heads of Delegation Forum and welcomed all Heads of Delegation to Singapore. Commissioner Tan gave a brief overview of the Meeting and introduced Mrs Chia-Tern Huey Min as the Secretary-General of the 45th SGATAR Meeting.

2. Proposal and Adoption of Meeting Agenda, Programme and Working Group Protocol

- 2.1 Secretary-General gave an overview of the 45th SGATAR Meeting Agenda and Programme and highlighted the following key changes:
- (i) The programme had been streamlined and shortened from 4 days to 3 days this year;
 - (ii) An additional session had been added to the Heads of Delegation Forum on the last day of the Meeting to allow the Heads of Delegation to discuss the recommendations of the Working Groups and decide on the SGATAR work programme for 2016; and
 - (iii) In line with the Taskforce's recommendation to streamline the Meeting's proceedings, the Heads of Delegation Forum would take on the tasks traditionally undertaken at the Steering Committee Meeting.
- 2.2 Secretary-General explained that the Working Group Protocol served as a guide to effective Working Group Discussions and Drafting Committee Meetings. It contained the roles and responsibilities of the Working Group Chairpersons and Rapporteurs, as well as those of the Drafting Committee representatives from all Member jurisdictions.
- 2.3 Mr Nam Bui Van (Vietnam) proposed to adopt the Meeting Agenda, Programme and Working Group Protocol. Ms Chong Seng Sam (Macao, China) seconded the proposal. As no objections were raised, Secretary-General declared the acceptance of the Meeting Agenda and Programme as well as the Working Group Protocol for the 45th SGATAR Meeting.

3. Nomination and Election

- **Chairpersons and Rapporteurs of Working Groups**
- **Chairperson and Members of Drafting Committee**

3.1 Secretary-General highlighted the nominees for Chairpersons and Rapporteurs of the Working Groups as follows:

Working Group 1: Improving the Compliance of Small and Medium Enterprises

- **Chairperson:** Mrs Georgina Wade (Australia)
- **Rapporteur:** Mr Philip Poon (Hong Kong, China)

Working Group 2: Improving the Taxpayer's Experience with the Tax Authority Efficiently and Effectively

- **Chairperson:** Mr Zulkiflee Md Tahir (Malaysia)
- **Rapporteur:** Ms Sanityas Jukti Prawatyani (Indonesia)

Working Group 3: Implementing and Using Country-by-Country Reporting

- **Chairperson:** Ms Marissa Cabrerros (The Philippines)
- **Rapporteur:** Mr Peter Lawrey (New Zealand)

3.2 Secretary-General highlighted the nomination of Ms Quek Su Lynn (Singapore) as Chairperson of the Drafting Committee, as well as the nominated representatives from each Member delegation, as follows:

Australia	Mrs Georgina Wade
Cambodia	Mr Srun Angkaren
People's Republic of China	Ms Zhang Aihua
Hong Kong, China	Mr Philip Poon
Indonesia	Ms Sanityas Jukti Prawatyani
Japan	Mr Junya Toya
Republic of Korea	Mr Pil-Kyoo Jung
Macao, China	Mr Roy Wong
Malaysia	Mr Mohd Harris Hanapi
Mongolia	Mrs Zolzaya Battsogt
New Zealand	Mr Peter Lawrey
The Philippines	Ms Marissa Cabrerros
Singapore	Ms Karen Goh
Chinese Taipei	Mr Yang-Ming Yeh
Thailand	Ms Ketsaraphan Chatphatthanasiri
Vietnam	Mrs Tran Huong Thao

His Excellency Mr Kong Vibol (Cambodia) proposed to elect the nominated Chairpersons and Rapporteurs of the Working Groups, and the Chairperson and members of the Drafting Committee. Ms Bi-Chen Tsai (Chinese Taipei) seconded the proposal. As no objections were raised, Secretary-General formally confirmed the election of the Working Group Chairpersons and Rapporteurs, and Chairperson and members of the Drafting Committee.

4. Update on the 17th SGATAR Working Level Meeting

4.1 Mrs Gerel Tudkhuu, Tax Inspector of the General Department of Taxation of Mongolia, provided an update on the 17th SGATAR Working Level Meeting which was hosted in Ulaanbaatar, Mongolia from 22nd to 24th June 2015. The topic discussed at the 17th SGATAR Working Level Meeting was "Transfer Pricing – Comparability Analysis". It was noted that the 17th SGATAR Working Level Meeting achieved its objective of ensuring that the best practices of tax administrations were in line with global standards and concepts.

5. Update on the 13th SGATAR Joint Training Programme

5.1 Mr Dongil Kim, Director of International Cooperation Division of the National Tax Service, provided an update on the 13th SGATAR Joint Training Programme which was held in Seoul, Korea from 21st to 24th September 2015. The topic for the 13th SGATAR JTP was "Addressing Challenges to Tax Administrations Surrounding the Substance over Form Principle". It was noted that the programme allowed participants to share knowledge and experience in the practical application of the substance-over-form principle.

6. Hosting of the 46th and 47th SGATAR Meetings

6.1 Secretary-General requested New Zealand's confirmation of its willingness to host the 46th SGATAR Meeting, which had been expressed at the 44th SGATAR Meeting. The Head of Delegation from New Zealand, Ms Naomi Ferguson, confirmed that New Zealand would host the 46th SGATAR Meeting.

6.2 Secretary-General noted that The Philippines had offered to host the 47th SGATAR Meeting and requested The Philippines' confirmation. The Head of Delegation from

The Philippines, Ms Kim Jacinto-Henares, expressed The Philippines' commitment to host the 47th SGATAR Meeting and to be a Member of the 2016 SGATAR Taskforce.

- 6.3 With no objections raised, Secretary-General formally confirmed New Zealand as host of the 46th SGATAR Meeting and The Philippines as host of the 47th SGATAR Meeting.

7. Report and Recommendations from the SGATAR Taskforce

7.1 Introduction by Chairperson of 2015 SGATAR Taskforce and Overview of Taskforce Work

7.1.1 Mr Chris Jordan AO, Commissioner of the Australian Taxation Office and Chairperson of the 2015 SGATAR Taskforce gave an introduction of the SGATAR Taskforce and shared an overview of the work done by the Taskforce in 2014 and 2015. The theme for the 2015 SGATAR Taskforce's work was "Consolidating and Reinventing SGATAR".

7.1.2 Commissioner Jordan summarised the work programme that was undertaken by the 2015 SGATAR Taskforce and emphasised that the work could only have been possible with the contributions from all SGATAR Members who were committed to the vision of effective tax administration. He added that as part of its work, the 2015 SGATAR Taskforce had devoted time and effort to elevate the profile of SGATAR in the global tax community.

7.2 Recommendations from the 2015 SGATAR Taskforce

7.2.1 Recommendations from the 2015 SGATAR Taskforce were presented by the following members of the Taskforce:

- Mr David Allen, Australia
- Mr Brendan Shannon, Australia
- Ms Stacey Wong, Singapore
- Mrs Sabina Cheong, Singapore
- Ms Kerry McIntosh-Watt, New Zealand
- Ms Anu Anand, New Zealand

7.2.2 The Heads of Delegation discussed the recommendations from the SGATAR Taskforce on 24th and 25th November 2015. After detailed discussions on the recommendations from the SGATAR Taskforce, the Heads of Delegation endorsed the following:

- The adoption of an operating framework that sets out SGATAR’s mission, objectives and the manner in which programmes are to be carried out;
- The reorganisation of training programmes into a single and cohesive platform that ensures continuity in training and enables Members’ training needs to be met more holistically, tapping onto the resources of international and regional organisations as appropriate;
- The instituting of an annual work programme for SGATAR, for which the 2016 programme will draw on the recommendations of the SGATAR Working Groups and include the development of communication guidelines for profiling SGATAR and relaying Members’ views to international forums; and
- The set-up of a permanent SGATAR website (www.sgatar.org).

8. Capacity-Building in Tax – Presentations by Observer Organisations

8.1 Presentation by the Asian Development Bank

8.1.1 Mr Yuji Miyaki, Public Management Specialist (Taxation) of the Asian Development Bank gave a presentation on “Efficient and Transparent Tax System in Asia”. He highlighted the importance of strengthening tax regimes and fiscal policies to achieve sustainable development goals and shared on ways in which the Asian Development Bank could provide support to enhance the tax administration capacity of SGATAR Members.

8.2 Presentation by the World Bank Group

8.2.1 Ms Arcotia Hatsidimitris from the Global Tax Team of the World Bank Group gave a presentation on “SGATAR Capacity Building”. Ms Arcotia Hatsidimitris explained that World Bank Group’s goal was to strengthen domestic resource mobilization and to improve a jurisdiction’s domestic capacity for tax collection, tax policy formulation and tax compliance to achieve the sustainable development goals. She also shared on the ways in which the World Bank Group could support SGATAR Members in capacity building.

8.3 On behalf of the Heads of Delegation, Secretary-General, Mrs Chia-Tern Huey Min, thanked Mr Yuji Miyaki and Ms Arcotia Hatsidimitris for their presentations.

9. Presentation and Endorsement of Working Group Recommendations

9.1 Ms Quek Su Lynn (Singapore), Chairperson of the Drafting Committee, presented a summary of the 45th SGATAR Meeting Working Group recommendations. She informed the Heads of Delegation that the Drafting Committee had agreed with the Working Group Final Report containing these recommendations. She highlighted the recommendations from the Working Groups, that were clustered into three common themes:

- Building capacity, through training and sharing
- Formulating guidelines
- Recommended best practices that each SGATAR Member could consider adopting, as appropriate.

9.2 The Heads of Delegation endorsed the recommendations from the SGATAR Working Groups and agreed that a priority related to building capacity among Members in transfer pricing, to better understand the information obtained through Country-by-Country Reporting and how to interpret and use these information appropriately.

9.3 The Heads of Delegation acknowledged the sharing of views and experiences among delegates in the SGATAR Working Groups, as well as the recommended best practices on key issues discussed during the Working Group sessions.

10. Discussion and Agreement on SGATAR Work Programme

10.1 The Heads of Delegation discussed the SGATAR Annual Work Programme for 2016, which incorporated the points discussed over the course of the Heads of Delegation Forum as well as the recommendations of the SGATAR Working Groups.

10.2 After detailed discussions, the Heads of Delegation endorsed the SGATAR Annual Work Programme for 2016, which included, among others, the following:

- The building of capacity among Members in transfer pricing, to better understand the information obtained through Country-by-Country Reporting and how to interpret and use these information appropriately; and
- The development of communication guidelines for profiling SGATAR and relaying Members' views to international forums.

11. Discussion and Agreement on Annual Meeting Summary

11.1 The Heads of Delegation discussed the Annual Meeting Summary for the 45th SGATAR Meeting, which summarised the key decisions made by the Heads of Delegation during the Meeting. After detailed discussions, the Annual Meeting Summary was endorsed by all Heads of Delegation.

(The Annual Meeting Summary is in Appendix VI.)



APPENDIX II

SPEECH AT PRELIMINARY SESSION



Responding Address on Behalf of Delegates

Tan Sri Datuk Wira Dr. Mohd Shukor Bin Haji Mahfar
Chief Executive Officer
Inland Revenue Board of Malaysia

Mr Tan Tee How, Commissioner of Inland Revenue/Chief Executive Officer of the Inland Revenue Authority of Singapore;
Heads of Delegation to the SGATAR 2015;
Delegates of SGATAR Meeting 2015;
Ladies and gentlemen,

Good morning and Assalamualaikum,

It is an honour for me to be here this morning to deliver the speech on behalf of SGATAR delegates and participants of the 45th SGATAR Meeting 2015.


This conference is an excellent forum for Members to deliberate on current issues that affect the efficiency and effectiveness of our tax systems.

On top of that, the gathering enables us to reconnect with old acquaintances as well as establish new friendships. Indeed the opportunity for networking is an invaluable aspect of conferences such as this.

SGATAR has come a long way since its establishment. 45 years on, we see that the cooperation between organisations from Members continues to strengthen. The mutual support and recognition between Members have been integral to the survival of this establishment.

This strong bond that we have is essential in facing the challenges of the modern tax world where business models have changed such that we see in SMEs which emphasises on the need to tackle the rising of administrative and operational costs as well as for skilled and competent staff.

The conference this year also enables us to share on best practices in improving the taxpayer's experience in order to promote voluntary compliance.



We have also taken steps to establish a shared understanding of the way forward in the wake of implementation of Country by Country Reporting, BEPS Action Plan 13.

The HOD meetings scheduled enable heads of delegation to sit together and address issues effectively. This year in particular, we can see that more time was allocated for the HODs to meet and discuss. It is interesting to note that similar arrangements have been adopted by other international conferences as well.

I am sure we all agree that the coming few days will be a wonderful experience for us. The breath taking scenery of Marina Bay Sands capped with the warmth of Singapore hospitality will definitely promise us an exceptionally comfortable stay.

Let us give a big round of applause to the organiser for the hospitality shown.

Finally on behalf of the delegates once again I would like to thank Mr Tan, as the Commissioner of IRAS, his team and all individuals who were directly and indirectly involved in ensuring the smooth running of the conference and above all making this conference a huge success.

On that note ladies and gentlemen, I wish you deliberative and fruitful meetings ahead.

Thank you.



APPENDIX III

SPEECHES AT OPENING CEREMONY



Address by Chairperson of the 44th SGATAR Meeting**Mr Chris Jordan AO
Commissioner
Australian Taxation Office**

Thank you Ms Angela and a warm welcome to Ms Sim Ann to the 45th SGATAR Annual Meeting.

I am pleased to address you as the outgoing chairperson for SGATAR. It was an honour to be the Chair of SGATAR and it is also an honour to have the opportunity to address the 45th SGATAR meeting, here in Singapore. SGATAR provides a wonderful platform for its Members to communicate, share experience, information and ideas, and nurture cooperation and collaboration between our administrations.


Firstly, I would like to congratulate Singapore on their hosting. This is my third SGATAR meeting and I have been very impressed with the organisation, the layout and welcome. I am also very pleased the agenda has such a strong focus on business outcomes. On behalf of the Heads of Delegation, I would like to extend my gratitude to Commissioner Tan and the IRAS for organising such a wonderful event. Thank you Commissioner Tan.

Last year, Australia had the privilege of hosting the 44th SGATAR meeting and the 7th meeting of the MHTI in Sydney. I thank those of you who attended for your enthusiastic participation and cooperation that made the 44th SGATAR and the 7th MHTI such a successful and memorable event.

The 44th SGATAR was a significant Annual Meeting in the history of SGATAR.

We came together with a determination to take the organisation in a new direction. We agreed that SGATAR could be more active in promoting and supporting collaboration in the region. We recognised that Asia is the only region without an active tax association and we decided to address this gap.

44th SGATAR agreed a new mission "To provide a platform to enhance the performance of tax administrations in the Asia-Pacific region by promoting collaboration and



communication among member tax administrations". We also agreed four objectives and to the establishment of an ongoing Taskforce.

We have now established the foundation for this regional association.

Through the year the SGATAR Taskforce, comprising representatives from Singapore, New Zealand, and Australia, has made significant steps to execute SGATAR's mission.

The Taskforce has developed Governance documents, reinvented SGATAR's training programs, and developed a cutting edge website that will increase our ability to collaborate and be effective throughout the year, not just when we come together at annual meetings and training programs.

This shift in the direction and operation of SGATAR is important and timely.

As a region we are facing an unprecedented wave of change, from the digital revolution to the increased mobility of people and assets. To successfully navigate this wave of change we must work together, share, and collaborate, now and into the future.

As the outgoing chairperson for SGATAR, I encourage you to increase your efforts to collaborate with your neighbours.

I ask that you continue to support the development of the Taskforce and consider the opportunities.

I am confident we will have a positive and productive Annual Meeting and I wish all new faces here a sincere welcome and the best wishes for this event.

Thank you.

Mr Tan Tee How
Commissioner and Chief Executive Officer
Inland Revenue Authority of Singapore


Senior Minister of State for Culture, Community and Youth & Finance, Ms Sim Ann,
Distinguished Heads of Delegations,
SGATAR Delegates and Observers,
Ladies and gentlemen

Let me bid everyone a warm welcome to Singapore, we are very pleased that you are here with us during Singapore's Golden Jubilee and that you can join our celebrations of Singapore's 50th birthday. We hope that you will have an interesting and pleasant stay in Singapore.

On behalf of all Members of SGATAR, I would also like to thank Commissioner Chris Jordan and the staff of the Australian Taxation Office for their impressive efforts in hosting the 44th Meeting in Sydney last year, and for chairing SGATAR and the Taskforce over the past year. The Taskforce has accomplished many things in the last 12 months, including instituting a work programme based on Working Group recommendations, launching a new website for SGATAR, and raising the profile of SGATAR in the international tax community. The Taskforce has also put forth comprehensive recommendations to consolidate and reinvent SGATAR, which will be discussed by the Heads of Delegation in the days to come. Let us put our hands together to show our appreciation for Chris Jordan and the ATO.

This year's Meeting will focus on important topics related to tax administration and the latest international tax developments. We will look at improving the compliance of small and medium enterprises. We will also discuss how best to enhance the taxpayer's experience with the tax authority, without compromising on efficiency and effectiveness. With rising revenue expectations and taxpayers demanding better service, these discussions will touch on matters that are relevant to all SGATAR Members.

Following on from the 44th SGATAR discussions, we will also discuss the implementation of country-by-country reporting, or CBCR, and the usage of CBCR information. The CBCR is one of the OECD proposals recently endorsed by the G20 Leaders, as part of the efforts to combat Base Erosion and Profit Shifting (BEPS). Jurisdictions are now contemplating the



impact and changes that may arise from CBCR. It is therefore timely for Members discuss this at SGATAR, as they deliberate on the next step to take.

Such discussions embody the spirit and essence of SGATAR - To build collective knowledge and experience among Members, and help Members identify solutions to emerging issues and challenges in this dynamic environment.

SGATAR is now in its 45th year and we have all benefitted from our frank exchanges in past meetings. This is my first SGATAR meeting and I am glad to be in the good company of experienced and well-respected tax administrators. I hope that this Meeting will be an opportunity for us to catch up with old friends and to make new ones. On this note, I wish you days of fruitful discussion ahead and a wonderful stay in Singapore.

Ms Sim Ann
Senior Minister of State
Culture, Community and Youth & Finance, Singapore

Mr Tan Tee How, Commissioner and Chief Executive Officer of the Inland Revenue Authority of Singapore,
Distinguished Guests,
Ladies and Gentlemen,

Thank you for inviting me to the 45th Meeting of the Study Group on Asian Tax Administration and Research ("SGATAR"). Let me extend a very warm welcome to all our delegates, especially those who have come from afar to join us today.


The world continues to grapple with increasingly complex tax matters, and I'm pleased to note that this year's meeting continues with the SGATAR tradition. Since its founding in 1970, SGATAR has provided Members with a good platform to gather annually, to exchange ideas and experiences in the field of taxation. Such candid sharing among Members is useful. It provides for a positive environment where we are able to learn from one another.

In recent years, the subject of Base Erosion and Profit Shifting, or BEPS, has dominated international tax discussions. Many jurisdictions, including Singapore, have been paying close attention and are studying the proposed recommendations to counter artificial profit-shifting.

Singapore fully supports the coordinated efforts of the global tax community to update international tax rules, so that multinationals pay their fair share of taxes. It is critical for the reforms to the global tax system to be carried out in a fair manner that continues to accommodate legitimate business models and promotes global economic growth and trade.

To gain world-wide acceptance and adoption, the BEPS project needs to be expanded beyond the G20 and OECD circuits to allow jurisdictions to participate on an equal footing. This includes designing the standards, as well as deciding the criteria and methodology by which the jurisdictions will be reviewed on their implementation of BEPS measures.

The recommendations should also be consistently implemented and applied across all states, as well as non-state jurisdictions to create a level playing field that we all desire. We



also need to ensure that any effort to review the jurisdictions' adherence to these enhanced international standards should also be conducted in a fair, inclusive and objective manner.

It is therefore timely that delegates will be discussing Country-by-Country Reporting, or CBCR, at this year's SGATAR Meeting - this is one of the key BEPS proposals endorsed by the G20 Leaders. Arriving at a common understanding of the appropriate use of CBCR information sets the stage for its consistent implementation across the region. This will help the region create a stable environment that facilitates investment and growth and at the same time, minimise opportunities for tax arbitrage.

On that note, I would like to wish all delegates productive and meaningful discussions in the days ahead, and I hope you have a wonderful time getting to know Singapore better. I would also like to congratulate the Inland Revenue Authority of Singapore for successfully organising this meeting.

It is now my pleasure to declare the 45th SGATAR Meeting officially open.

Thank you.



APPENDIX IV
WORKING GROUP FINAL REPORT



Report on Working Group 1: Improving the Compliance of Small and Medium Enterprises

Chairperson: Mrs Georgina Wade, Australia

Rapporteur: Mr Philip Poon, Hong Kong, China

1. Introduction

- 1.1 Small and medium enterprises (SMEs) form an important part of the economic and social well-being of SGATAR Members. They account for a significant majority of the total number of businesses and employ a large proportion of the workforce. While there is no single definition of SMEs across member jurisdictions, SMEs in each of these economies face similar challenges of changing customer demands, rising business costs, globalisation pressures and rapidly-changing technologies.
- 1.2 Tax authorities play a crucial role in supporting SMEs by creating a tax regime conducive to their growth and keeping their compliance costs low. As SMEs struggle to focus on their business challenges, managing tax compliance is often not a priority for them. To ease and assist tax compliance, Members have focused on simplifying tax rules and requirements for SMEs. At the same time, both broad-based and targeted compliance programmes (e.g. risk-based audits) are also important in deterring non-compliance and building community confidence in the role of the tax authority.
- 1.3 The purpose of this working group is for Members to share their experiences in addressing the challenges faced in administering taxes for SMEs and to discuss ways to improve the overall compliance of SMEs.

2. Key Discussion Points and Recommendations

2.1 Issue 1: Policy design to ease SME compliance

Key points:

- To support the growth of SMEs and reduce their tax compliance cost, SGATAR Members have specific policy designs in the form of reduced tax rates, simplified filing requirements, reduced filing frequency (e.g., from annual to 2-3 years).

Some jurisdictions also have specific tax incentives for SMEs such as a presumptive tax system, where taxpayers with gross incomes below a certain threshold can calculate their taxes using deemed profit.

- Members have consensus that tax rules and requirements should be simple for SMEs, and that there are opportunities for further work to be done to reduce the compliance burdens of SMEs.

Recommendations:

- Continue to reduce compliance costs of SMEs with the use of simplified tax rules and record-keeping requirements for SMEs.
- For Members with specific tax incentives and exemptions designed for SMEs, there is a need to have clear and unambiguous definitions of SMEs to minimize abuse.
- **Share experiences and learning points between SGATAR Members** on aspects of tax policy design specifically for SMEs.

2.2 Issue 2: Education and service to enhance compliance

Key points:

- Across member jurisdictions, there are various service channels in the form of assistance, outreach and education programmes to assist SMEs in their tax matters. These initiatives help to proactively and pre-emptively improve tax compliance, by helping SMEs “get it right from the start”.
- With rapidly changing business conditions and technological advancements, there is a greater demand for Members to provide new or more effective education and service initiatives that are able to address the specific compliance concerns of SMEs.

Recommendations:

- Members to further consider use of social media and smarter tools (e.g. web chats, text message reminders) to engage and educate SMEs.
- To deepen taxpayer education efforts, and encourage the right taxpaying mind-set from a young age.
- SGATAR Members to **consider research into education and service initiatives** and to report and share their findings with other Members.

2.3 Issue 3: Partnership with stakeholders

Key points:

- Partnership with stakeholders such as tax agents, industry associations and other government agencies is an important way for SGATAR Members to promote and facilitate tax compliance in SMEs (e.g. distributing education materials through industry associations). Dialogues and consultations with private sector representatives also help tax administrations better understand commercial realities, and the business needs and challenges of SMEs.
- There is scope for Members to consider how they might best work with and leverage on stakeholders to understand SMEs and improve their compliance.

Recommendations:

- Members to explore opportunities for greater cross-agencies and/or whole-of-government collaborations within their own jurisdictions. For example, to have a single access point for taxpayers to provide information for all government requirements.
- Expand partnership with stakeholders to provide more targeted information and guidance for taxpayers.

2.4 Issue 4: Audit strategies and techniques

Key points:

- Audit plays a crucial role in the compliance management of SMEs, with most Members using a risk-based case selection approach. However, some Members expressed challenges in designing clear audit guidelines and case selection methodologies.
- Beyond audit effectiveness, some SGATAR Members have also started to reform their audit strategies (e.g. exemptions from audit for select groups of taxpayers) and simplify audit requirements (e.g. remove certain field inspections) to reduce the burden on businesses selected for audit.
- Overall, there is interest to improve the effectiveness and efficiency of the audit strategies and techniques amongst Member jurisdictions.

Recommendations:

- Consider **conducting workshops and trainings** to facilitate Members in:
 - levelling up audit techniques;
 - understanding different sources and ways of gathering information for audit; and
 - developing audit guidelines and case selection methodologies.

- **Explore short-stint attachments between Members** for practical hands-on experience in different audit approaches.

2.5 Key issue 5: Strengthening capabilities and capacities

Key points:

- Members face challenges in staff capabilities, as well as information and communication technologies (ICT), in keeping up with the increasingly complex operations and growing digital maturity of SMEs.
- Most Members already have a variety of training courses and sharing sessions between staff and by external experts. However, Members recognize the need to further strengthen staff competency and build specialist teams with deep and current business knowledge.
- Similarly, continued investments must be made in ICT infrastructure and capabilities to support compliance efforts.

Recommendations:

- To continue investments in ICT systems to capture and manage taxpayer data, subject to budget and resource considerations.
- **Share best practices amongst Members on their approaches used in understanding industries** and business circumstances.
- Explore **sharing of experiences in human resource development**, in areas such as:
 - Development of career and training roadmap;
 - Opportunities for horizontal rotation within organisation.

2.6 Issue 6: Use of big data and analytics

Key points:

- With the large number of SMEs and limited resources of tax administrations, data analytics presents huge opportunities for tax administrations to more efficiently manage tax risks.
- While the adoption/ maturity levels of analytics vary across SGATAR jurisdictions, Members are generally keen to learn more about using big data and analytics in areas such as pre-filing tax returns, compliance risk profiling/ modelling and audit case selection.

Recommendations:

- **Identify and tap into SGATAR Members who are more advanced in their use of data analytics.** These Members can share their experience and expertise with others upon request (e.g. via telephone conferences and email discussions).
- **Share best practices amongst Members on their approach in third-party data collection** and its uses in areas such as pre-filing, taxpayer segmentation for risk management and design of customized services and engagement.

Report on Working Group 2: Improving the Taxpayer's Experience with the Tax Authority Efficiently and Effectively

Chairperson: Mr Zulkiflee Md Tahir, Malaysia

Rapporteur: Ms Sanityas Jukti Prawatyani, Indonesia

1. Introduction

- 1.1 The adoption of a customer-centric service approach is a prominent feature of efforts in many jurisdictions as tax administrations strive to improve efficiency and effectiveness while reducing taxpayers' compliance costs.
- 1.2 Amidst rising taxpayer's demands, tax administrations' service strategies often need to be tailored based on specific customer segments. With limits on the amount of resources to be devoted to all the functions within the tax administration, applying the right strategy would not only ease the end-to-end process for customers but also allow the organisation to achieve the optimal mix of outcomes.
- 1.3 The purpose of this topic is for Members to discuss their experiences in their service delivery to taxpayers within their jurisdiction with a view of identifying opportunities for sharing tools and potential joint-approaches on managing service demand.
- 1.4 On Day 1, delegates presented the key points in respect of the focusing questions. Some common themes which emerged during the presentations included how tax administrations manage taxpayer's rising expectations with limited resources and how organisational capabilities should be developed so as to ensure that the services provided are relevant to changing service demands.

2. Key Discussion Points

- 2.1 Most jurisdictions are of the view that majority of taxpayers have positive compliance behaviour, some groups of taxpayers, however, may not fully comprehend the tax laws and tax obligations. This issue is especially prevalent among individual taxpayers and small and medium business who lack the necessary expertise.

2.2 Tax administrations, therefore, have been implementing initiatives with the aim of balancing between collecting the right amount of tax and reducing compliance costs.

2.3 The following key issues emerged in respect of delivering excellent service to taxpayer so as to improve their tax experience and voluntary compliance.

- Key Issue 1: Delivering quality service against the backdrop of infrastructure and budget constraints
- Key Issue 2: Offering new service channels as well as maintaining traditional channels
- Key Issue 3: Reforming administrative process to reduce compliance costs for taxpayers
- Key Issue 4: Building up organisational capability and capacity and enhancing staff's soft-skills

2.4 On Day 2, the working group split into four small groups and each group discussed two of the above topics.

3. Recommendations

3.1 Simplifying Tax Rules & Improving Voluntary Compliance

- To **listen to feedback** from taxpayers and **simplify tax rules** and procedures to encourage positive compliance behaviour. This includes having active engagement with the public and formulating a rules review process.
 - Some initiatives include: having public consultation before implementing tax law changes, engaging in regular discussion sessions with specific taxpayer segments.
- To **adopt a proactive stance** instead of the traditional reactive approach in view of rising service demands. This includes providing up-to-date information via various service channels.
 - Some initiatives include: leveraging on social media to disseminate tax filing information, mobile tax unit to bring the facility closer to taxpayer during peak filing.

3.2 Streamlining Tax Administration Processes & Improving Cost-Efficiency

- To continue **improving service standards** via traditional channels taking into consideration the needs of different taxpayer segments.

- Some initiatives include: identifying specific taxpayer needs at the counter, re-directing simple enquiries to express queues and using dropbox as a document deposit tool at the counter.
- To **make e-filing the preferred choice** for taxpayers notwithstanding that the traditional mode of filing is still provided.
 - Some initiatives include: increasing the scope of pre-filled information, incentives to encourage e-filing such as extended deadline, faster processing time, providing assisted and self-help kiosks at physical counters and embarking on e-filing campaign.
- To **leverage on new ICT systems** so as to provide greater convenience for taxpayers and improve adoption rate for electronic services. This includes **tapping on data-analytics** to identify and address taxpayer's needs accurately and ensure confidentiality.
 - Some initiatives include: mobile applications, data-analysis on large data and behavioural insights, digital signature, e-Invoicing
- To **enhance collaboration with public as well as private agencies** to obtain tax filing information and payment with minimal effort. Across SGATAR Member jurisdictions, the general consensus was that reducing compliance costs would be a key driver towards encouraging voluntary compliance.
 - Some initiatives include: Obtaining information (for pre-filing purposes) on assets, income and deduction from government agencies and corporations subject to amendment to legislations / agreement, providing convenient payment modes by working with payment intermediaries (e.g. banks) to pay taxes, subject to taxpayer's authorisation

3.3 Developing Organisational Capabilities

- Human resources have been recognised as one of the organisation's key drivers in improving their service delivery and SGATAR Members can **build up organisational infrastructure** - including leveraging on information and communications technology - to classify taxpayer segments as part of their efforts to customise service delivery. The working group, however, recognises that Member jurisdictions are at different stages of developing their capabilities.
 - Some initiatives include: prioritising the processing sequence for taxpayers' returns so as to smooth out tax filing peak volumes.

- To **inculcate the belief** that improved service delivery is one of the means to improving compliance levels. This includes senior management's attention dedicated to service quality and staff's development.
- To not just enhance the technical competency of staff but also emphasise on the **development of soft skill and data-analytics capabilities**.
- To **create learning opportunities and leverage on sharing platforms** for SGATAR Members to share the jurisdictions' knowledge and experience on technology and processes.
 - Some initiatives include: holding discussions on the SGATAR online forum, consider having a secured online library, posting best practice guides in the SGATAR website depository, consider having secondments across jurisdictions for exchange of experience.

Report on Working Group 3: Implementing and Using Country-by-Country Reporting (“CbCR”)

Chairperson: Ms Marissa Cabrerros (The Philippines)

Rapporteur: Mr Peter Lawrey (New Zealand)

1. Introduction

- 1.1 This report summarises the discussions held at the 45th SGATAR meeting in Singapore on the 24th to 26th of November 2015. Delegates from 16 SGATAR Member jurisdictions attended the working group which was chaired by Ms Marissa Cabrerros from The Philippines.
- 1.2 The CbCR topic was a continuation from the working group discussions at the previous 44th SGATAR meeting. The purpose of the current deliberations was for Members to discuss recommendations for implementing CbCR, look at the appropriate use of information from CbCR and consider how cross-border tax disputes that may arise could be resolved effectively and efficiently.
- 1.3 Action 13 of the BEPS action plan deals with the development of rules regarding transfer pricing documentation to enhance transparency for tax administrations, taking into account the compliance costs for businesses. CbCR represents one of the three tiers of transfer pricing documentation that provides tax administrations with relevant information to perform a robust transfer pricing risk assessment.
- 1.4 This report summarises Members’ views on:
 - Implementation challenges and how to address them;
 - Ensuring appropriate use of CbCR; and
 - Resolution of cross-border disputes that may arise from CbCR in an efficient and effective manner.

2. Process of discussion

- 2.1 Delegates shared the key areas/ issues from their respective working papers among their various small groups. The working group then collectively identified common areas/ issues within the three broad categories of (a) implementation challenges, (b)

use of CbCR information and (c) dispute resolution. In subsequent small group discussions, delegates made recommendations to address those common areas/issues. Common recommendations across the small groups were identified as the working group's final recommendations.

- 2.2 Delegates also participated in a case study discussion regarding the use of CbCR information of a hypothetical MNE.

Key Discussion Points and Recommendations

3. Implementation challenges

- 3.1 The majority of delegates reported that their tax authorities were either intending to implement CbCR or have decided to implement CbCR. The remaining delegates reported that the implementation of CbCR was being carefully considered in their jurisdictions.
- 3.2 A number of challenges were identified in relation to implementing CbCR.
- 3.3 Delegates reported that changes to domestic legislation may be necessary to require MNEs to file CbCR. International agreements for exchange of CbCR have to be put in place before the exchange of CbCR between tax jurisdictions can take place.
- 3.4 Having different interpretations of items contained in the CbCR was also one of the challenges identified.
- 3.5 Other implementation challenges include the need to increase resources and capacity of both tax authorities and MNEs. For tax authorities, there is a need for additional personnel and financial resources, and to build capability to ensure effective and efficient implementation of CbCR. Tax authorities may also find it difficult to identify the relevant MNEs which are required to file CbCR and to manage the CbCR information. MNEs may require additional resources to prepare and file CbCR.
- 3.6 Recommendations
 - 3.6.1 The working group recognised that the timeline of 1 January 2016 for CbCR implementation is challenging. Each jurisdiction may need time to follow its particular domestic legislative process. Tax authorities have to first study the impact of implementing CbCR and get buy-in from MNEs, policy makers and legislators regarding CbCR.

3.6.2 Members may explore using existing legislation or regulations to enable the collection of CbCR domestically. Some jurisdictions do not currently have transfer pricing documentation legislation so they may consider enacting CbCR legislation together with legislation for transfer pricing documentation.

3.6.3 Tax authorities can engage and consult MNEs early to ensure smooth implementation of CbCR, as well as provide taxpayer education to assist taxpayers in preparing CbCR and facilitate their compliance.

3.6.4 There is a need to enhance the capability of tax authorities. Tax authorities can provide internal training for staff on transfer pricing risk analysis, focusing on the use of CbCR. In addition, there can be capability building across tax authorities where broad training on CbCR, confidentiality safeguards and appropriate use can be conducted. CbCR toolkits can also be developed.

3.6.5 Tax authorities may consider using IT systems to facilitate CbCR implementation. For instance, they can explore harmonising the internal IT requirements for the implementation of different initiatives including CbCR. They may also consider implementing common reporting standards (e.g. IT specifications) among tax authorities, and between tax authorities and taxpayers.

3.6.6 Finally, SGATAR Members may consider sharing implementation experiences before the OECD's 2020 review of the CbCR implementation.

4. Appropriate use of CbCR information

4.1 There was common understanding on the use of CbCR information. The working group came to a consensus that CbCR should be used for high-level transfer pricing risk assessment and not as a basis for making transfer pricing adjustments. Tax authorities may also use CbCR for internal economic and statistical analysis but it should be limited to tax purposes.

4.2 Tax authorities may recognise useful indicators (e.g. effective tax rate, financial ratios) from the CbCR to identify high risk entities. However, data in the CbCR would not, on its own, constitute sufficient evidence on determining whether the controlled transactions are at arm's length without a full transfer pricing analysis. Delegates recognised that information from other sources (e.g. master file, local file, third party information, financial statements etc.) is required to supplement CbCR information for purposes of transfer pricing risk analysis.

4.3 Delegates agreed that it is of utmost importance to maintain/ safeguard the confidentiality of CbCR information.

4.4 Recommendations

4.4.1 To ensure appropriate use of CbCR, tax authorities can update internal policies and staff communication, provide staff training on appropriate use of CbCR and put in place internal processes to ensure confidentiality of CbCR information.

4.4.2 In the event of inappropriate use of CbCR (e.g. formulary apportionment of income based on CbCR), tax authorities should engage in mutual consultation and open communication with treaty partners as a first step.

4.4.3 On the specific types of training required to ensure appropriate use of CbCR, besides CbCR-related training, there was agreement that it should be complemented with transfer pricing training on advanced topics (e.g. business models, functional analysis, comparability analysis). It will also be useful for tax authorities to have training on transfer pricing risk analysis using CbCR and other tools.


5. Dispute resolution

5.1 There was general agreement that CbCR implementation may increase disputes because with more information, tax authorities may conduct more transfer pricing reviews and audits. As such, delegates recognised the importance of jurisdictions implementing CbCR to have sufficient and appropriate dispute resolution mechanisms in place to resolve potential disputes effectively and efficiently.

5.2 Recommendations

5.2.1 Delegates agreed that tax authorities can use Mutual Agreement Procedure ("MAP") as a structured dispute resolution mechanism (or arbitration) to better manage potential disputes from the use of CbCR in a more timely manner if there is an existing tax treaty in place. If there is no existing tax treaty in place, jurisdictions may consider entering into new tax treaties. The use of dispute prevention mechanisms like Advance Pricing Arrangement ("APA") can help to reduce the number of potential cross-border tax disputes.

5.2.2 As there are varying experiences with APA and MAP across SGATAR Members, the working group recognised the need for capacity building and sharing of experience to promote consistent application of transfer pricing guidelines to better manage potential disputes.



APPENDIX V

SPEECHES AT CLOSING CEREMONY



Address by Head of Delegation Representing Host of the 46th SGATAR Meeting

**Ms Naomi Ferguson
Commissioner and Chief Executive Officer
New Zealand Inland Revenue**

E ngā mana e ngā reo, e rau rangatira mā, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Commissioner Tan, Secretary General, Heads of Delegation, Delegates.

Thank you to Japan for proposing, and Mongolia for seconding New Zealand as host for the 46th SGATAR meeting next year in Wellington, New Zealand. I am honoured to accept this nomination.

And thank you to Mr Tan Tee How and the wonderful Members of the 45th SGATAR Organising Committee for planning and hosting such an outstanding meeting this year. And to our liaison officers, who have ensured that every delegation was supported fully throughout the week.


You have set us a very high standard for 2016. My team here has been excited to learn from you over the past few days. We appreciate the enormous amount of work that has gone into creating an event that runs so smoothly for your guests.

Singapore is a truly beautiful and vibrant country with so much variety. This morning, I was able to take a walk in the Marina Bay Gardens, just one of the many gardens you have to offer, and experience a little of the beauty of Singapore. Like New Zealand, Singapore blends a number of cultures and offers everything from traditional festivals, luxury hotels, delectable cuisine and great shopping!

Most of all, my delegation and I have enjoyed interacting with colleagues from so many different jurisdictions, and discovering how much we have in common. To tax people, tax can be an endlessly fascinating subject!

We have done good work here over the past 3 days.

The pace of global change is a challenge to tax administrators.



The working group sessions were focused and very valuable this year.

Improving taxpayers' experience with the tax authority is much discussed in New Zealand. Becoming more customer-centric is at the heart of the business transformation Inland Revenue NZ is undertaking.

The OECD's work on the BEPS action plan is very real to all of us here, and I thank the working group for progressing ways to manage country-by-country reporting effectively.

We look forward to working with the Taskforce Members Singapore and Philippines and to all of you as we plan a challenging and fruitful programme for SGATAR 2016. It is a long way to travel so we will make it worth your while

- as a learning experience
- as an opportunity to discuss important issues that affect us all
- and as a chance to renew old friendships and create new , in a country that's all about new experiences.

We are honoured to host the 46th SAGATAR in Wellington New Zealand – also known as the coolest little capital, coffee central and famous for four seasons in one day - even in almost-summer November!

You may be challenged in several different ways in Wellington – but I am sure you will love it as we do.

To finish, I'd like to share a short video to give you a taste of Wellington.

Once again – thank you to our hosts Singapore this year.

Thank you. We look forward to welcoming you, to saying nau mai, haere mai to New Zealand in 2016.

Ms Kim Jacinto-Henares
Commissioner
Bureau of Inland Revenue of The Philippines

To the gracious host of this 45th SGATAR Meeting, the Republic of Singapore, headed by Commissioner Tan Tee How, to the incoming host of the upcoming 46th SGATAR Meeting, the Government of New Zealand, here represented by Commissioner Naomi Ferguson, and to all of my fellow Heads of Delegation, good afternoon!

The Philippines, together with the sixteen (16) Member-Jurisdictions of SGATAR has always recognised the exceptional mission of SGATAR in providing a platform for cooperation among tax administrations in the Asia-Pacific region. The forty-five (45) rich years of history of this Study Group have paved the way for the accomplishments of the following objectives:

1. Enhancement in capacity-building for Member-Jurisdictions through sharing of best practices and strengthening training programs;
2. Promotion of bilateral and/or multilateral cooperation in taxpayer compliance and other special projects;
3. Undertaking research and keeping abreast of international and regional developments in tax law and administration; and
4. Relaying Members' views to international forums.

The launch of the new SGATAR website this year is a welcome development for the furtherance of these objectives. The creation of this website is both novel and inspiring to which the Heads of Delegation would like to commend the efforts of the SGATAR Taskforce with a challenge to each Member to be committed in actively contributing to the enhancement of this website.

On behalf of the Heads of Delegation present in this 45th SGATAR Meeting, we would like to express our appreciation to the dedicated team of Inland Revenue Authority of Singapore, headed by Commissioner Tan, for this well-organised and successful meeting.


Mr Tan Tee How
Commissioner and Chief Executive Officer
Inland Revenue Authority of Singapore

Distinguished Heads of Delegations,
SGATAR Delegates and Observers,
Ladies and Gentlemen

We have come to the final part of the official programme. As Chairperson and host of the 45th SGATAR Meeting, I wish to thank everyone for your active participation in the discussions over the past three days. Your contributions have made the 45th SGATAR Meeting productive and meaningful.

Discussions were conducted in an atmosphere of friendship, with open and generous sharing of knowledge and experiences. There was robust discussion with sound outcomes. Working Group 1 delegates identified best practices to facilitate SMEs compliance. Working Group 2 delegates formulated strategies and plans to manage service demands more efficiently and effectively. Working Group 3 delegates have developed a common understanding on Country-by-Country Reporting and the appropriate use of such information. I am confident that all delegates benefitted from these stimulating discussions and these positive outcomes will serve as a useful reference for everyone to build a better tax administration.

The Heads of Delegation Forum had intensive discussions about the various recommendations put up by the Taskforce to consolidate and reinvent SGATAR. We also deliberated on the proposals put forth by the Working Groups to be taken up by the SGATAR Taskforce. I'm pleased that the Heads of Delegation share a common view on the direction that SGATAR should take and have, collectively, set out SGATAR's Work Programme over the next 12 months. As the Chairperson of the next SGATAR Taskforce, I look forward to a busy year ahead, carrying out the endorsed Work Programme and delivering the envisaged outcomes, together with other Taskforce Members, New Zealand and The Philippines.



Last but not least, I would like to thank my colleagues for making the 45th SGATAR Meeting a resounding success. Over the past few days, you have met many members of our Organising Committee and the Liaison Officers. Their dedication and hard work had ensured that our meetings proceeded smoothly. Please join me in thanking them.

We hope that you have enjoyed your stay in Singapore and will enjoy the rest of the day's programme. I wish one and all a safe journey back home. See you next year in New Zealand!



APPENDIX VI

ANNUAL MEETING SUMMARY



**45th MEETING OF THE STUDY GROUP ON
ASIAN TAX ADMINISTRATION & RESEARCH
24th NOVEMBER TO 26th NOVEMBER 2015**

**ANNUAL MEETING SUMMARY
THURSDAY, 26TH NOVEMBER 2015**

1. The Heads of Delegation (“HODs”), representing 16 tax administrations in the Asia-Pacific region¹, met in Singapore for the 45th meeting of the Study Group on Asian Tax Administration and Research (“SGATAR”).

2. The HODs endorsed recommendations from the SGATAR Taskforce chaired by Australia, with Singapore and New Zealand as members. These endorsed recommendations are:
 - The adoption of an operating framework that sets out SGATAR’s mission, objectives and the manner in which programmes are to be carried out;
 - The reorganisation of training programmes into a single and cohesive platform that ensures continuity in training and enables Members’ training needs to be met more holistically, tapping onto the resources of international and regional organisations as appropriate;
 - The instituting of an annual work programme for SGATAR, for which the 2016 programme will draw on the recommendations of the SGATAR Working Groups and include the development of communication guidelines for profiling SGATAR and relaying Members’ views to international forums; and
 - The set-up of a permanent SGATAR website².

3. The HODs also endorsed the recommendations from the SGATAR Working Groups. The HODs agreed that a priority relates to building capacity among Members in transfer pricing, to better understand the information obtained through Country-by-Country Reporting and how to interpret and use these information appropriately.

¹ The 17th SGATAR member, Papua New Guinea, was unable to attend the 45th SGATAR Meeting.

² The SGATAR website can be found at www.sgatar.org.

4. The HODs acknowledged the sharing of views and experiences in the SGATAR Working Groups, as well as the recommended best practices on the key issues of:

- Building the organisational capability of SGATAR Members in understanding the challenges faced in administering tax for Small and Medium Enterprises (“SMEs”);
- Reducing SMEs’ compliance costs to improve their overall compliance, while ensuring tax administrations’ cost-effectiveness; and
- Identifying key drivers of service demands of taxpayers and developing long-term cost-effective solutions by tapping on technology and new service channels to reduce or to manage these demands.

5. Singapore has been elected Chair of SGATAR for 2016 and New Zealand will host the 46th SGATAR conference in 2016. As part of the next SGATAR Taskforce, which also includes the Philippines, they will carry out the endorsed work programme for 2016 to enhance capacity-building and promote collaboration and communication among Member tax administrations³ for the benefit of all SGATAR Members.

³ Please refer to Annex B for details of SGATAR’s Mission and Objectives.

Annex A

SGATAR Members

1. Australia
2. Cambodia
3. People's Republic of China
4. Hong Kong, China
5. Indonesia
6. Japan
7. Republic of Korea
8. Macao, China
9. Malaysia
10. Mongolia
11. New Zealand
12. Papua New Guinea
13. The Philippines
14. Singapore
15. Chinese Taipei
16. Thailand
17. Vietnam

Annex B

SGATAR Mission

“To provide a platform to enhance the performance of tax administrations in Asia-Pacific region by promoting collaboration and communication among Member tax administration.”

SGATAR Objectives

- Enhance capacity building for Members through the sharing of best practices and strengthening training programmes.
- Promote bilateral and/ or multilateral cooperation in taxpayer compliance and other special projects.
- Undertake research and keep abreast of international and regional developments in tax law and administration.
- Relay our Members’ views to international forums.

For more information, please refer to the SGATAR website <www.sgatar.org>.



APPENDIX VII

LIST OF PARTICIPANTS



APPENDIX VII

LIST OF PARTICIPANTS

SGATAR Members

Jurisdiction	Name	Designation
Australia	Mr Chris Jordan	Commissioner
	Mr David Allen	Assistant Commissioner
	Mr Brendan Shannon	Senior Director
	Mrs Georgina Wade	Senior Director
	Ms Elizabeth Melih	Director
Cambodia	His Excellency Kong Vibol	Director-General
	Mr Um Seiha	Deputy Director-General
	Mr Chhay Cheaheng	Director
	Mr Eng Ratana	Director
	Mr Angkaren Srun	Deputy Director
	Mr Lim Delux	Deputy Director
	Mr Sandap Po	Vice Chief
	Mr Heng Sothy	Deputy Chief
	Mr Chhun Vichheka	Tax Official
	Mr Sonariddh Mao	General Director's Assistant
Mr Tith Chamreunpanha	Assistant	
People's Republic of China	Mr Sun Ruibiao	Chief Accountant
	Ms Yu Shuchun	Deputy Director-General
	Mr Sun Qun	Director
	Ms Zhang Aihua	Deputy Director
	Mr Zhou Xiaojun	Principal Staff Member
	Ms Liao Li	Principal Staff Member
	Mr Ma Guang	Senior Staff Member
Hong Kong, China	Mr Richard Wong	Commissioner
	Ms Judy Yip	Chief Assessor
	Mr Kelvin Cheung	Senior Assessor
	Ms Marie Ho	Senior Assessor
	Mr Philip Poon	Senior Assessor
Indonesia	Mr Suryo Utomo	Assistant to Minister of Finance
	Mr John Hutagaol	Director
	Ms Rina Widiyani Wahyuningdyah	Director
	Mr Mekar Satria Utama	Director
	Mr Achmad Amin	Deputy Director
	Mr Yon Arsal	Deputy Director
	Ms Sanityas Jukti Prawatyani	Deputy Director
	Mr Danny Sirait	Section Chief
Mr Toto Hari Saputra	Section Chief	

Jurisdiction	Name	Designation
Japan	Mr Hiroshi Nakahara	Commissioner
	Mr Masaaki Kaizuka	Deputy Commissioner
	Mr Yoshinori Ikeda	Director
	Mr Hidekazu Tanaka	Deputy Director
	Mr Junya Toya	Deputy Director
	Mr Nobuaki Izawa	Deputy Director
	Mr Hirotaka Kato	Chief
	Mr Yuki Murata	Chief
	Mr Ryo Ishiwatari	Assistant Chief
	Mr Naoki Kawahara	International Operations Division
	Ms Aya Ichinose	Interpreter
	Ms Naoko Abe	Interpreter
Republic of Korea	Mr Kim Bong Rae	Deputy Commissioner
	Mr Suh Jin-Oog	Assistant Commissioner
	Mr Kim Dongil	Director
	Mr Hwang Dong Soo	Deputy Director
	Ms Yoo In Sun	Deputy Director
	Mr Jung Pil-Kyoo	Deputy Director
	Mr Shin Sangmo	Deputy Director
	Ms Choi Yune Mi	Deputy Director
	Mr Kim Kyunyeol	Tax Examiner
	Ms Yang Bu Deul	Interpreter
	Ms Lim Seon Young	Interpreter
Macao, China	Ms Chong Seng Sam	Deputy Director
	Miss Japhin Chan	Principal Inspector
	Miss Joyce Kuok	Senior Officer
	Mr Roy Wong	Tax Officer
Malaysia	Tan Sri Dr Mohd Shukor Mahfar	Chief Executive Officer
	Datuk Sabin Samitah	Deputy Chief Executive Officer
	Mr Abu Tariq Jamaluddin	Director
	Mr Mohammed Noor Ahmad	Director
	Mr Zulkiflee Md Tahir	Director
	Mr Mohd Harris Hanapi	Principal Assistant Director
	Mr Muhammad Azhari Tamrin	Principal Assistant Director
	Ms Azwani Ab Ghani	Assistant Director
	Ms Shahreen Mahther	Assistant Director
	Ms Zafina Mohamed Ariffin	Assistant Director
	Ms Zuridah Ahmad Nasir	Assistant Director
	Ms Zurina Mohd Hashim	Assistant Director

Jurisdiction	Name	Designation
Mongolia	Mr Ariunsan Baldanjav	Commissioner
	Mr Enkhbold Amjaa	Deputy Commissioner
	Mrs Badam Davaajav	Head
	Mr Badral Bold	Head
	Mr Batkhishig Davaa	Head
	Mrs Mart Gombodorj	Head
	Mr Munkh-Erdene Renchinbyamba	Head
	Mrs Tsevelsuren Lkhamjav	Head
	Mr Sainbuyan Tserenjargal	Head
	Ms Undraa Shijirbaatar	State Tax Inspector
	Mrs Gerel Tudkhuu	Tax Inspector
Mrs Zolzaya Battsoigt	Tax Inspector	
New Zealand	Ms Naomi Ferguson	Commissioner/ Chief Executive
	Mr David Carrigan	Policy Director
	Mr Patrick Crawford	Manager
	Ms Anu Anand	Acting Manager
	Mr Peter Lawrey	Senior Investigator
	Ms Kerryn McIntosh-Watt	Manager
	Ms Lisa McPhail	Principal Advisor
	Ms Joanne Petrie	Executive Support Advisor
The Philippines	Ms Kim Jacinto-Henares	Commissioner
	Ms Estela Sales	Deputy Commissioner
	Ms Lilia Guillermo	Deputy Commissioner
	Mr Nelson Aspe	Deputy Commissioner
	Ms Marissa Cabrerros	Assistant Commissioner
	Mr Mitchell Yu	Division Chief
	Ms Maria Flor Mercado	Chief of Staff
Singapore	Mr Tan Tee How	Commissioner/ Chief Executive Officer
	Mrs Chia-Tern Huey Min	Deputy Commissioner
	Mr Ong Khiaw Hong	Deputy Commissioner
	Mr Andy Seah	Assistant Commissioner
	Ms Quek Su Lynn	Assistant Commissioner
	Ms Ng Hui Li	Deputy Director
	Ms Yong Sing Yuan	Group Tax Specialist
	Mr Tang Yam Soon	Group Tax Specialist
	Ms Karen Goh	Manager
	Ms Seah Fang Ying	Manager
	Ms Chin Sau Hing	Manager
	Ms Lillian Lim	Manager
	Ms Kris Tan Rien Ru	Senior Tax Officer
Ms Tan You Bao	Associate	

Jurisdiction	Name	Designation
	Ms Victoria Chong	Associate
Chinese Taipei	Ms Tsai Bi-Chen	Deputy Director-General
	Ms Huang Yen-Wen	Specialist
	Mr Liu Hsu-Fong	Auditor
	Mr Yeh Yang-Ming	Revenue Assessor
	Ms Huang Ying-Hua	Revenue Officer
Thailand	Mr Prasong Poontaneat	Director-General
	Mr Suwannapirom Ronnawat	Deputy Director-General
	Mrs Patricia Mongkhonvanit	Director
	Mr Chakkrawut Petchkaew	Head
	Ms Yarika Ruangsiri	Senior Tax Economist
	Miss Saowakon Meesang	Tax Economist
	Miss Ketsaraphan Chatphatthanasiri	Tax Economist
	Mr Nattachai Rangpholsamrit	Tax Economist
	Miss Chompunut Sirichai	Tax Audit Officer
Mr Krida Kritiyachotipakorn	Legal Officer	
Vietnam	Mr Bui Van Nam	Commissioner
	Mr Le Van Hai	Deputy Director
	Mr Dang Tuan Hiep	Deputy Director
	Mr Dam Ngoc Linh	Head
	Mrs Pham Thi Minh Hien	Deputy Head
	Mr Duong Van Hung	Deputy Head
	Mr Nguyen Xuan Tu	Deputy Head
	Mr Nguyen Duc Huy	General Director's Assistant
	Mrs Tran Huong Thao	Expert

Observers

Jurisdiction/ Organisation	Name	Designation
Fiji	Mr Visvanath Das	General Manager
France	Mr Eric Dubois	Head
Maldives	Mr Yazeed Mohamed	Commissioner - General of Taxation
	Mr Ahmed Ali	Director General
Vanuatu	Mr Collins Gesa	Acting Deputy Director
Asian Development Bank	Mr Yuji Miyaki	Public Management Specialist
Asia-Oceania Tax Consultants' Association	Mr Thomas Lee	Honorary Advisor
International Bureau of Fiscal Documentation	Ms Soo Mei June	Head
	Ms Rachel Saw	Principal Research Associate
Organisation for Economic Co-operation and Development	Mr Pascal Saint-Amans	Director
United Nations Economic and Social Commission for Asia-Pacific	Mr Alberto Isgut	Officer-in-charge, Development Policy Section
World Bank Group	Ms Arcotia Hatsidimitris	Senior Consultant