

48th SGATAR ANNUAL MEETING

Hangzhou, People's Republic of China
13 - 15 November, 2018



Annual Meeting Summary

1. The Heads of Delegations (HODs) of the Study Group on Asian Tax Administration Research (SGATAR) from the tax jurisdictions of sixteen (16) Members convened in Hangzhou, the People's Republic of China, for the 48th Annual SGATAR Meeting¹.
2. The HODs have full confidence in the future of SGATAR and commit to further strengthen the cooperation as below:
 - Support sharing knowledge and best practices between SGATAR Members, and agree to establish focus areas most appropriate to SGATAR Members under the 'Ease of Doing Business' topic; consider the issue of communication, as appropriate, to the World Bank regarding the methodology of tax indicators after analyzing concerns with the current methodology and how these concerns could be addressed;
 - Commit to exchange best practices among Members in organizing, planning and delivering their capacity building activities, drive the further development of structured and sustained capacity building programmes of SGATAR, and explore possibilities for cooperation with other international and regional organizations.
3. The HODs support the sustainable and inclusive growth of the regional and global economy; believing that deepening tax cooperation is conducive to trade and investment liberalization and tax cooperation which will build a growth-friendly tax environment which can facilitate the shaping of a fair, modern and transparent international tax system. The HODs acknowledge the contribution to regional development of the Belt and Road Initiative as well as other international collaboration and multilateral networks, and expect that SGATAR Members strengthen tax cooperation in the context of those initiatives and networks.
4. The HODs considered and endorsed the following recommendations from the SGATAR Taskforce, which is chaired by Philippines, with the People's Republic of China and Indonesia as members:
 - The HODs gave their assent to the amended SGATAR Operational Framework, which was revised to include provisions for the grant of Permanent Observer status, and to reflect changes in the process of selecting Working Group topics for the Annual Meetings;
 - The HODs expressed their appreciation for the Taskforce's work on "The Future of SGATAR" concept, and agreed that the matter should be studied further by the Taskforce, as part of its 2019 Annual Work Programme;
 - In the matter of the SGATAR Capacity-Building Programme, the HODs thanked the Taskforce for its endeavours in the implementation and monitoring of the Programme, and encouraged the Taskforce to continue coordinating with the ADB, the OECD, and other International Organizations, in seeking training programmes and other knowledge-improvement activities for the benefit of the SGATAR Members.

¹ The 17th SGATAR Member, Papua New Guinea, was unable to attend the 48th SGATAR Meeting.

5. The HODs also endorsed the recommendations of the three SGATAR Working Groups:
Topic I: Implementing the G20/OECD BEPS Package

The Delegates of Working Group I make the following recommendations:

- Enhance transparency for tax administrations by implementing transfer pricing documentation rules where applicable, with careful consideration of the compliance costs for business and the administrative capacities for tax administrations;
- Improve the effectiveness and efficiency of tax dispute resolution by implementing BEPS Action 14 and take proper measures to ensure certainty for cross-border taxpayers so as to prevent the occurrence of disputes.

Topic II: Implementation of Common Reporting Standard (CRS)

The Delegates of Working Group II make the following recommendations:

- SGATAR members can facilitate CRS compliance by financial institutions through ongoing outreach efforts, as well as providing timely service to financial institutions and assisting them in their CRS-related enquiries. For smaller financial institutions, SGATAR members can facilitate their compliance by providing simplification tools for CRS reporting;
- Having specialised training programmes and technical assistance on the effective use of CRS data, designing and conducting CRS compliance reviews, as well as building a robust IT infrastructure, so as to build capacity for SGATAR members; and
- The use of CRS data exchanged between partner jurisdictions is governed strictly by the terms of the underlying legal instrument.

Topic III: The Role of Tax Service Providers

In order to better develop the role of tax service providers in promoting tax compliance and improving the ease of doing business, the Delegates of Working Group III made the following recommendations:

- Encourage tax service providers to standardize their practice for better tax compliance;
- Consider providing special service for tax service providers;
- Enhance communication and cooperation with tax service providers.

6. The HODs were presented with the Annual Work Programme for 2019, which they endorsed in its entirety, and which will serve as the basis of the SGATAR Taskforce's work in the coming year.
7. The People's Republic of China was elected as the Host of the 48th SGATAR Meeting, while Indonesia will host the 49th SGATAR Meeting.
8. The 2019 SGATAR Taskforce will be chaired by the People's Republic of China, with Indonesia and Japan as its members. The Taskforce will implement the approved Work Programme for 2018, with special emphasis on the work to be carried out in relation to the future of SGATAR as the premier forum for collaboration in the Asia-Pacific Region.