



# NEWSLETTER

MARCH 2023

## EDITORIAL

Welcome to this edition of our quarterly Newsletter which is the first in this calendar year. Tax administrations have emerged out of very challenging situations in the last couple of years and while recovery appears sluggish in some jurisdictions, tremendous progress has been achieved in many administrations in spite of the strong headwinds.

As key actor in the broader economic ecosystem of a country, tax administrations are also susceptible to the effects of the global economic downturn that has lately impacted most economies.

The 2023 the UN World Economic Situation Prospects (WESP) Report paints a rather gloomy picture for this year's global economic growth which is expected at a marginal 1.9% as compared to 3% in 2022. A myriad of factors (reinforcing shocks) including the post-Covid meltdown, the war in Ukraine, rising inflation, debt distress and climate change have all contributed to these economic upheavals.

A key proposal in the Report is for Governments to adopt pro-growth strategies by avoiding fiscal austerity, "which stifle growth and disproportionately affect the vulnerable groups". Some measures highlighted include strengthening social protection systems, support through targeted and temporary subsidies, cash transfers, discounts on utility bills complemented by reduction in consumption taxes and customs duties.

Of course, implementation of such proposals largely rests with how effective the tax administration is both as implementers/facilitators of such policies but also ensuring adequate collection of revenue to enable financing of the stimulus packages.

Constraints in resources especially the human capital continues to undermine service delivery in most tax administrations. Despite the existence of service charters between the administrations and their taxpayers, fulfilment of the same remains a challenge. What's particularly encouraging is that in almost all our member tax administration, far reaching reforms are taking shape and the outlook is positive.

Such reforms are bearing fruits largely owing to the strong leadership and management skills that have been built over time. Our flagship program-the Senior Leadership Program- which has over the years trained many tax officials-has no doubt immensely contributed to these pools of leaders whom we can rely on in these period of tremendous change in the way tax administration manages its resources and deliver service to their customers.

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## NEWS FROM THE CATA SECRETARIAT

(Please click on the headlines to view the full articles on the CATA website)

### [Commonwealth Day 2023](#)



The Commonwealth Day was marked on 13 March. The highlight of the event was a special service at the Westminster Abbey during which [His Majesty King Charles III delivered his inaugural message](#) as the Head of The Commonwealth.

### [CATA's SLP \(Senior Leadership Programme\) 2022 Closing Event](#)



The final phase of the CATA Senior Leadership Programme 2022 culminated with an event held at HM Treasury in London on Friday 17 March 2023 to celebrate the work of the delegates and to thank all those who have contributed to the success of the programme.

### [IMF Policy Paper on International corporate tax](#)



A Policy Paper released by the International Monetary Fund examines the status of the

discussions around the Inclusive Framework two-pillar solution and provides key elements upon which the various reform proposals should be evaluated.

### [VAT Toolkit for Africa launched](#)



The OECD in collaboration with the African Tax Forum recently launched the VAT Toolkit for Africa. The Toolkit comes handy at a time when there are emerging challenges in policy and administration of VAT particularly with the advent of the digitalised economy.

### [Global Forum Report 2023](#)



The Power Point presentations relating to these virtual regional consultations (CATA/ OECD and IOTA, November 2022) have now been published, and are available on the CATA web site.

### [CATA 43<sup>rd</sup> Technical Conference](#)



The 43rd Annual Technical Conference is scheduled to be held in the Maldives from 10 - 13 July 2023. [PLEASE REGISTER AT THE LINK PROVIDED](#)

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## NEWS FROM OUR MEMBERS

### By CATA Country Correspondents

(Please click on the given links to view the full articles on the CATA website)

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#### CANADA



**THE CANADA REVENUE AGENCY KICKS OFF THE 2023 TAX-FILING SEASON:** Tax season has officially kicked off, and many

Canadians will turn to the Canada Revenue Agency (CRA) for guidance. The CRA is ready to answer questions from taxpayers and to provide them with services to make it easier and quicker to file their 2022 income tax and benefit returns.

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#### ESWATINI



**NEW LEGISLATIVE DEVELOPMENTS:** Value Added Tax (Amendment) ACT, 2022

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#### KENYA



**STRENGTHENING DATA GOVERNANCE IN EAST AFRICAN REVENUE AUTHORITIES:** The

rise of digital technology and popularity of web-based platform usage are fast altering how individuals, organizations, and governments all over the world function. This has increased the value placed on data as a precious resource as well as how data and information are gathered, analysed, used, and distributed. The East African Revenue Authorities (EARAs) are working to strengthen their data governance policies and practices to transform themselves into data-driven organisations.

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#### MALAYSIA



**TANZANIA REVENUE AUTHORITY (TRA) OFFICIAL VISIT TO INLAND REVENUE BOARD OF MALAYSIA**

(IRBM): The IRBM received a study visit from

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Tanzania Revenue Authority (TRA) from 26 to 30 January 2023.

#### MALDIVES



**MALDIVES INTRODUCES PLASTIC BAG LEVY:** The parliament of Maldives passed the Waste Management Bill, which includes a provision on collection of a tax equivalent to USD 0.13 (Maldivian Rufiyaa 2) from plastic bags sold or provided at points of sale. Maldives Inland Revenue Authority is in charge of collecting the levy from all businesses who supply plastic bags to customers at point of sale.

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#### MAURITIUS



**CAPACITY BUILDING ON BEHAVIORAL INSIGHTS:** The Mauritius Revenue Authority (MRA) with the assistance of the

World Bank organized a 'Workshop on Behavioural Insights to improve Domestic Revenue Mobilization' from 01 to 06 December 2022 at the seat of its headquarters.

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#### MALTA



**MALTA INTRODUCED TRANSFER PRICING RULES:** As part of Malta's Recovery and Resilience Plan that was agreed upon with the EU Commission in September 2021 and approved by ECOFIN in October 2021, Malta introduced a transfer pricing enabling provision through Article 51A of the Maltese Income Tax Act.

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#### NEW ZEALAND



**MAJOR TAX AVOIDANCE WIN FOR NEW ZEALAND INLAND REVENUE:** The last of New Zealand's structured financing

cases to reach our courts, Frucor Suntory Ltd v Commissioner of Inland Revenue, was decided late last year. The Commissioner of Inland Revenue's position was upheld in our highest court, the Supreme Court, not only as to the application of our general anti-avoidance rule (known as the GAAR, section BG 1 of the Income

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Tax Act 2007) but also the Commissioner's decision to impose penalties.

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## UNITED KINGDOM



**NEW INITIATIVE TO SUPPORT IMPLEMENTATION OF GLOBAL ANTI-BASE EROSION (GLOBE) RULES:** Implementation is now underway of the new GloBE rules. These rules impose a global minimum corporate tax rate of 15% as part of the Organisation for Economic Co-operation and Development's (OECD's) Two Pillar Solution on Base Erosion and Profit Shifting (BEPS).

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## ZAMBIA



ZAMBIA COUNTRY SUBMISSION 2023 TAX LEGISLATIVE CHANGES

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## NEWS FROM OUR MEMBERS WEBSITES

(Please click on the given links to view the full articles on the members website)

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## AUSTRALIA



**DIGITAL GAMES TAX OFFSET:** The Australian Government has introduced legislation to establish a Digital Games Tax Offset.

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## GHANA



**AMENDMENTS OF TAX LAWS:** The Ghana Revenue Authority (GRA) announces for the information of the general public the coming into force of the amendments of the following tax Laws.

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## MALTA



### [LEGISLATIVE DEVELOPMENTS](#)

**JAN 2023:** The purpose of this memo is to give a brief overview of recent legislation issued under the Income Tax Acts.

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## MAURITIUS



### [INTERNATIONAL CUSTOMS DAY 2023 AUTOMATED SYSTEM FOR THE COLLECTION OF DUTIES](#)

**AND TAXES AT THE MDFP:** The Mauritius Revenue Authority (MRA) celebrated the International Customs Day (ICD) 2023 on Thursday 26 January 2023, under the theme: "Nurturing the next generation: promoting a culture of knowledge-sharing and professional pride in Customs".

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## RWANDA



### [NEW TAX RESEARCH COLLABORATION AND ADDITIONAL SOUTHMOD MODEL](#)

**FOR RWANDA:** UNU-WIDER has signed a memorandum of understanding (MoU) with the Rwanda Revenue Authority (RRA) to conduct research using national administrative tax data and develop a tax-benefit microsimulation model for Rwanda. The aim of the collaboration is to provide tools for researchers and policy makers to improve the tax and social protection system in Rwanda.

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## SIERRA LEONE



### [NRA BOARD CHAIR PARTICIPATES IN THE 3RD BRITACOF IN ALGIERS - MAKES](#)

**STRONG CASE FOR SUPPORT TOWARDS DATA ANALYTICS AND DATA WAREHOUSING FOR THE NRA:** The National Revenue Authority in Sierra Leone. The theme for the 3rd BRITACOF is "Enhancing Tax Administration Capacity Building in the post pandemic era".



Duncan Onduru



Rasmita Patro



Gerry Cook

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**"Spring is the time of plans and projects." – Leo Tolstoy**

