

The Commonwealth Association of Tax Administrators



cata
Newsletter

CATA Conference concludes successfully in Yaounde'

Malawi conference in Sep 2009

Third Strategic Plan

Special General Meeting

New appointments

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Editorial

Theory and Practice

Very often, policy makers, planners, reformists, consultants, etc. will go for new plans, strategies or reforms of existing set ups when the real problem is not the existing structure but failure of effective implementation. There are several reasons, factors or motivations to opt for a cosmetic

change in preference to tackling the real problem. Politicians will take that option simply to demonstrate concrete action for change, especially when a new government is installed or when there is a need to divert attention away from some serious crisis. Reformists and planners will advocate that course of action because that is their bread and butter and they need to at least seem to be preoccupied in what they are paid for. Whether the suggested reform is workable or not, is most often not their headache and someone else is left to suffer the consequences of their actions. Consultants will always be waiting in the wings for a lucrative consultancy contract that almost inevitably implies a revamped structure or the consultant has not done his job!

Unfortunately, where the problem is one of practice or implementation rather than theory or system, every replaced assumption or system will not only suffer from the same problem, it will actually push the organisation or country further backwards for at least the length of the time spent in developing the new system while the existing one is in somewhat of a hold waiting to be replaced. Theory is always easy, implantation the more challenging part. This is largely because designing a plan or a reform document does not entail the kind of pressures, resistance and obstacles that are faced in implementation of governmental policies. Plans and reform packages are usually prepared in the comfort of luxury meeting rooms, away from public reaction or media grilling. By producing a new plan or strategy, the message usually conveyed is that planners or policy makers have done their bit and it is now up to administrations to implement them. If planners were asked to take charge of implementation also, there would either be very few new plans or the majority would walk away from their assignments after completion of part one of the exercise.

Let us take a more familiar example of law and order or security issues that are more current today. Most of such problems persist

because politicians are required to take tough and unpopular political decisions in order to really overcome such problems. Legal and administrative structures capable of dealing are very much in place to deal with most eventualities crises of various kinds. The absence of political will to tackle problems head-on or domination of motives of compromise and “political pragmatism” provide the lifeline and oxygen on which such problems grow from minor irritants into major headaches. Tax administrations face situations that are no different from those faced by security organisations. Minor mushroom emergence of pockets of illegal businesses is ignored by political authorities until they develop into full grown markets dealing in illegal and smuggled goods. To borrow a phrase, “pressure is both a worm and a monster. It is a worm if you stamp on it but it becomes a monster, if you recoil”.

At the recent CATA conference in Cameroon, the topic of tax incentives was discussed. This is a classic example of a area in which the difference between theory and implementation is highlighted. Almost all arguments against tax incentives are based on allegations of misuse of such incentives. These include misuse by taxpayers once these have been granted and also misuse in the process of determination and granting of tax incentives by governments yielding to political considerations as well as to commercial and multinational pressure groups. Since it is far more difficult to withstand pressure on policy makers or for tax administrations to monitor implementation of granted incentives in letter and spirit, the easier option is to do away with them altogether. Here is an example from a member country. The tax laws of that country contained a provision whereby the competent tax authority could grant tax exemptions or concessions on a case by case basis. That led to frequent notifications of tax exemptions and concessions by the finance minister for specific classes or categories of taxpayers and even for specific taxpayers or important

national projects where the tax statute so authorised.

It was obvious that political powers were unable to withstand pressure for grant of tax exemptions or concessions from competing business and commercial investment groups or their political allies and opponents. To assist the government in overcoming this problem, technical advisors repeated and strongly urged a succession of governments to delete or withdraw that particular power from the tax statute. The argument was if there was no enabling provision, there would be no consequent pressure. The advice was ignored year after year because governments used that power of granting tax exemptions as an economic tool for favouring or punishing its supporters or opponents as and when required. Finally, a newly elected government accepted the proposal and the enabling provision for granting tax exemptions was withdrawn from the tax statute. However, that lasted just three months! Political considerations and the loss of a potent economic clout in the hands of a government forced a u-turn and the power to grant exemption through notifications by the ministry of finance was restored in indecent haste.

Rather than making an honest and meaningful endeavour for creating political and administrative discipline, the need for short term political gains dominated decision making. The concept of tax incentives in various forms exists in the tax laws of every single country in varying degrees. The grant of a family allowance, a child benefit allowance, an allowance for investment in housing for personal use, tax credits granted to individuals for investment in specific pension or investment projects or state financial instruments, etc. The principle should remain the same when the concept is extended to national territories; creating mechanisms for dealing with inherent disadvantages or economic hardships, promoting specific economic fields or regions, or levelling off playing fields where starting handicaps are obvious. When it

comes to practice, other considerations take precedence and the case for incentives based purely on merits is lost. The difference in granting incentives to individual taxpayers or families in national set ups is that these incentives benefit individual taxpayers with average incomes and with no collective representation that can intimidate policy makers enough to cause a shift in thinking

unlike dealing with collective pressure from powerful groups or lobbies that can dictate or even blackmail governments into changes in decision making. There is therefore hardly a voice against the grant of such incentives. In fact there would be widespread protest if for example a child benefit allowance is done away with in any country. I rest my case!

CATA News

Twenty-Ninth CATA Annual Technical Conference 2008

The Twenty-Ninth CATA annual Technical Conference was held in Yaoundé, Cameroon from 10 to 14 November 2008. A high profile opening ceremony was held on Sunday, the 9th of November. The Honourable Minister for Finance for Cameroon, Mr. Essimi Menye inaugurated the conference. The opening ceremony was co-chaired by Messrs Essimi Menye and Eyebe Ayissi, Minister of Finance and of External Relations respectively. This occasion also witnessed the presence of a number of cabinet ministers and ambassadors of Commonwealth member countries based in Yaoundé.



Mr. Essimi Menye, Minister for Finance addressing the opening ceremony



Mr. Mustapha Mosafeer, Chairman giving address of welcome to delegates

Addressing the conference opening ceremony, the Minister of Finance emphasised the importance of taxation in mobilising the revenue required by governments to meet the needs of the

citizens. He also stressed the necessity for tax administrations to initiate reforms in a bid to meet the exigencies and opportunities of the new information and communication technology.

The conference was attended by close to 110 senior level taxation officials representing member and non-member countries as well as international organisations. The organisers of the conference in Cameroon did a splendid job and all delegates were overwhelmed by the warmth of the reception and the excellent hospitality extended to them throughout their stay in Cameroon.

The Government of Cameroon expressed its deep sense of involvement and importance of the CATA conference for Cameroon through a number of initiatives. This included courtesy calls on the Prime Minister of Cameroon, **His Excellency INONI Ephraim**, the Minister of Finance, **Mr ESSIMI MENYE** and also the Minister Delegate in Charge of Relations with the Commonwealth, **Dr DION NGUTE**. On each instance, the office bearers of CATA led by the President, Mrs. Sabina Walcott-Denny, the Chairman Mr. Mustapha Mosafeer, the Vice Chair Mr. Douglas Rankin and the Executive Director Mr. Zahir Kaleem briefed the government officials on the highlights of conference deliberations as well as the over all role and mandate of CATA. The meetings were given wide spread coverage in the national print and electronic media.



Office bearers responding to the press

At the Prime Ministry, The Head of Government appreciated the mission of CATA and added that the conference resolutions will go a long way in enhancing the performance of the taxation departments of the different member states.

The conference discussed the following two topics:

1. **“Role of taxation in economic development”**
2. **“Information Technology - Opportunities and Challenges for Tax Administrations”**

Delegates benefited from a number of quality presentations on selected sub-topics on each of the two main topics as well as syndicate discussions on six other sub-topics. The conference format allows a comprehensive coverage of topics within the allocated two days for each topic.

The conference also set the stage for the host country to showcase Cameroon’s cultural treasures during special evenings hosted in honour of the participants. The social highlight was the trip to the Pygmy village on host country day, a boat ride through the picturesque river and the magnificent display of pygmy culture and way of life.

The Directorate General of Taxation of Cameroon has desired that CATA Secretariat should convey its gratitude to all delegates for making the conference a success and the Management Committee of CATA for giving Cameroon the opportunity to host the 29th Technical Conference.

Thirtieth CATA Annual Technical Conference 2009

CATA’s Annual Technical Conference for 2009 will be hosted by Malawi during September 2009. Firm dates for the conference will be conveyed to members in due course. The conference is likely to be held in the lakeside city of Mangochi.

Sunandsand Hotel is likely to be the venue for the conference.

Further details will be circulated to members through the annual conference circular expected to be circulated around February 2009.

Conference in photos:



Groups of delegates in sessions



Delegates and special guests



Syndicate session in progress



Organisers in uniform



The colours of CATA night event

Special General Meeting

A Special General Meeting of CATA was convened at the conclusion of the technical conference in Yaoundé. The purpose of the meeting was to extend the life period of CATA's current strategic plan by one year. The plan period expires at the end of this year. The 4 year planning cycle is meant to align CATA's strategic planning cycle with that of the Commonwealth Secretariat. Since CATA's strategic plans need approval of its General Meetings, the extension to the current plan was necessitated because the next General Meeting is scheduled for September 2009 in Malawi.

Third Strategic Plan

The Management Committee of CATA met in Yaoundé, Cameroon on Friday 14 November. Amongst other matters, it decided to initiate the process of development of CATA's Third Strategic Plan. The Committee will consider the draft plan at its annual meeting in London during May 2009, before its presentation for approval by the General Meeting in September 2009.

APPOINTMENTS

New Country Representatives

Cameroon

Mr John Kinyuy, Inspector of Taxes, who is currently serving at the Legislation, Disputes and International Fiscal Relations Division has been appointed the new Country Representative and replaces Mrs Rose Tanyi-Mbianyor, who occupied this position for the past six years.

Malta

CATA Secretariat has received breaking news of the appointment of Mr. Carmel Conti as the new Commissioner of Inland Revenue for Malta in place of Mr. Adrian Chetcuti who retired earlier this year. Official confirmation from Malta is awaited.

Uganda



Mr Moses Kajubi, Commissioner (Domestic Taxes) was appointed the new Country Representative last September and replaces Ms Jacqueline Kobusingye, who was the previous Commissioner (Domestic Taxes).

New Country Correspondents

Australia

Ms Usha Narain, Advisor to Second Commissioner (Law) Bruce Quigley has been appointed Country Correspondent on a temporary basis while Ms Sarah Safransky is on maternity leave.

Namibia

Mr Kavazeua Handura-Matundu, Chief Taxation Officer has been appointed the new Country Correspondent.

New Zealand

Mr Nigel Shatford, Advisor to Deputy Commissioner (Service Delivery) and Deputy Commissioner (Business Development & Systems) was appointed the new Country Correspondent last July and replaces Veronica Ahern.

OTHER NEWS

Commonwealth Secretary-General welcomes G20 meeting as a step towards stronger multilateralism; stresses the need for open and inclusive follow-up

Commonwealth Secretary-General Mr. Kamallesh Sharma has warmly welcomed the outcomes of the meeting of G20 leaders in Washington at the weekend. "I congratulate the G20 leaders on the truly multilateral spirit in which they have joined together to tackle the economic challenges facing the world today. A continued spirit of multilateralism is needed now, not only to meet the continuing development emergency facing many in the world today but also to tackle the fundamental economic and financial challenges facing the world in the medium term."

Mr. Sharma stressed that the Washington summit must also be viewed as the start of a longer and inclusive process of global thinking and discussion. "The journey to global reform on a global scale has begun, and it must be one in which the concerns of all states are taken into account. Democracy and participation are at the heart of the Commonwealth's approach to reform. I look to G20 leaders at their next meeting in April 2009 to set out a structured process of consultation through which the views of all countries can be brought to bear on the reform agenda. In a networked world, 180 smaller or poorer countries in the world will vouch for the fact that 20 countries alone cannot speak authoritatively for them, nor solve the complex reform puzzle if they act alone. We welcome the fact that the G20 statement recognises this," the Secretary-General said.

He added that the Commonwealth looked forward to supporting further steps in the global reform process given its own work in this area so far. The Commonwealth's 53 member states had committed themselves to

pursuing comprehensive reform of the International Monetary Fund and the World Bank at their Heads of Government meeting in Kampala, Uganda, in November 2007. This had been followed by a 'mini-summit' of 11 Commonwealth leaders, which had set out principles to guide reform of international institutions in June 2008 as well as another meeting of all Commonwealth Heads of Government held to discuss the reform agenda in September 2008.

"The G20 is echoing the Commonwealth's call for comprehensive reform of the Bretton Woods Institutions. I especially welcome the G20 calling for greater legitimacy and effectiveness of the Bretton Woods institutions through a stronger voice for emerging and developing countries, and greater transparency and accountability." The Secretary-General also welcomed the commitment by G20 countries to avoid raising new barriers to trade and investment in the coming year and the priority attached to making progress on the Doha Round of trade negotiations. "I am pleased that there is a determination to avoid the mistakes of the past and maintain open markets in the face of the global downturn. Trade is recognised as a critical route out of poverty. The poorest and most vulnerable countries have the most to lose from weaknesses in the multilateral trading system. The Doha Round must be completed as a priority and must have genuine development dividends." Finally, Mr Sharma stressed the importance in the G20 leader's statement on the development needs of countries. "Building on the G20's statement of principle, the Doha Financing for Development Review meeting at the end of this month must make more progress on the substance. The global economic slow-down must not become a reason for developed countries to dilute or resile from their aid commitments to

developing states,” the Secretary-General concluded.

Commonwealth finance ministers meet in St Lucia

Diversity of experiences an asset to the world - Sharma



Commonwealth finance ministers met for their annual meeting in the Caribbean island of St Lucia on 6 October 2008 with a call to draw on their diverse experiences and perspectives to address current global economic problems. Speaking at the opening ceremony in the country’s capital, Castries, Commonwealth Secretary-General Kamallesh Sharma said that within the association's membership, you can find an example of just about every economic phenomenon: "So as we meet here, the key question is: with all the diversity of experiences and perspective, what have Commonwealth finance ministers to offer to each other and to the world?"

The Secretary-General drew attention to the track record of Commonwealth finance ministers which boasts a number of key initiatives that eventually received international attention. He cited the bilateral and multilateral debt relief initiatives “which initially seemed like heresy, but later became orthodoxy.”

Mr. Sharma added: "The Commonwealth breaks down silos of different regions and income levels, and allows policy analysis and understanding to spread globally.” The

opening ceremony was also addressed by the Prime Minister of St Lucia, Stephenson King, who said his country supports the Commonwealth initiative on reform of international institutions such as the World Bank and International Monetary Fund to make them more relevant. Mr. King, who also holds the Minister of Finance portfolio, said he looks forward to the discussion on the reform process and to the specific contributions finance ministers will contribute to the debate.

Film-makers encouraged to enter eighth Commonwealth Vision Awards



A still shot from the winning film in last year's Commonwealth Vision Awards.

Applications for this competition were to be made before 20 October 2008. Film-makers from across the Commonwealth were encouraged to apply. This competition supports the development of short film production, and is an opportunity for film-makers to raise awareness of crucial global issues and highlight the importance of individual action at the community level.

At the first of a two-stage process, film-makers aged up to 35 years old are requested to provide a written scenario that demonstrates originality and creativity, is relevant to the theme and will impact on audiences worldwide. Up to 15 of these entries will be shortlisted by a panel and awarded £1,000 each to assist in the production of the finished film.

At the second stage, judging of the shortlisted films will take place in January 2009 and the awards announced and presented in March. The winning film-makers will be invited to attend the Awards Ceremony in London, where the winner will receive £2,500 and a trophy.

The following day, a master class with a leading film director and workshop is planned. The winning entries will, from January 2009, be broadcast internationally in both Commonwealth and non-Commonwealth regions, particularly on and around next year's Commonwealth Day on 9 March.

The Royal Commonwealth Society and the Commonwealth Broadcasting Association, who jointly organise the awards, have announced some changes to the competition. **Short-listed entries from 2001 - 2007 may be viewed on www.rcsint.org/vision**

Alice Kawoya, Project Manager of the Vision Awards, said that the new innovation for this year's competition is that they have increased the time length for the films. So now broadcasters and independent film-makers from across the five regions of the Commonwealth are invited to submit a written proposal for a short creative film, between three and four minutes in length, on the theme for 2008 - 'Global challenges and the new generation'.

Ms Kawoya commented: "In the past we've asked people to send in entries between 30 and 90 seconds long. We are now looking for short creative films between three to four minutes in length. Greater emphasis will also be placed on the films being as creative and technically professional as possible, to further enhance the status of the Vision Awards as a major international film-making competition."

Past winners include Avantika Hari, who is currently making a film, Land, Gold, Women, which is expected to debut at the 2009 Berlin Film Festival before being released in worldwide cinemas. Ms Hari has

also had the opportunity to pair up with Bollywood producer Vivek Aggarwal to make this film, which is about honour killings.

The awards initiative is supported by Warburg Pincus, the Commonwealth Secretariat, the Commonwealth Foundation, the British Council, the UK Foreign and Commonwealth Office and the BBC World Service.

Finance ministers call for international support for vulnerable economies

Food and fuel crisis could be compounded by current financial turbulence
Commonwealth finance ministers concluded their annual meeting in Castries, St Lucia, on 8 October 2008 with a call for the international community to support countries adversely affected by the food and fuel crises, which may be further compounded by the current financial turbulence around the globe.

During the three-day meeting, ministers discussed the impact of food and fuel prices on their respective countries, but also the global financial crisis which is affecting them all, in different ways. Developing countries are likely to suffer badly with less growth and less access to finance, and progress towards reaching the Millennium Development Goals could be halted or even reversed. Commonwealth Deputy Secretary-General Ransford Smith called for regional co-operation to protect countries from the effects of the instability, which had seen world markets tumble during the past week. He added that global regulation needs to recognise that non-systemic financial centres will be affected, too.

Reference report

[Commonwealth Finance Ministers Reference Report 2008](#)

In a Communiqué issued at the end of the meeting, the ministers noted the need to

support the agricultural sector to increase food production, and to explore new sources of energy supply. They specifically asked the World Bank and International Monetary Fund (IMF) to strengthen their efforts to provide support and advice at both country and global levels in handling the immediate impact. During their meeting, ministers agreed to form a representative ministerial group to conduct consultations across the Commonwealth to create consensus on the process, objectives and purpose of reform of the World Bank and IMF.

Ministers also recognised that the added and practical value of the Commonwealth's discussions on reform of international institutions would be in fostering an inclusive discussion of all governments, which would need to be carefully synchronised with existing reform efforts taking place already within the World Bank and IMF. They endorsed the principles of legitimacy, fair representation, responsiveness, flexibility, transparency and accountability of the two Bretton Woods institutions, and emphasised that finance ministers should play an important role in the process.

Managing and celebrating diversity

[No culture, no nation, no religion has a monopoly on truth – the ‘Commonwealth way’ is the consensual way forward](#)

‘Respect’ and ‘Understanding’ are the highest individual attributes that we can bring towards each other, Commonwealth Secretary-General Kamalesh Sharma has said.

Dialogues between faiths should be able to go beyond peaceful coexistence, towards the recognition of the shared being that unites us, he told an audience at the Oxford Centre for Islamic Studies on 5 November 2008. This would result, he observed, in a true celebration of diversity with the offerings of all traditions complementing and not isolating each other. Because the world is so interlocked, there is an inseparable

dependence upon each other which is ever fortified, he said.

Commonwealth developing nations risk becoming “collateral damage” of global financial turmoil

Further suffering for world’s poor is likely consequence of developed nations’ crisis

Commonwealth Secretary-General Kamalesh Sharma today expressed his deep concern at the potential impact of the financial crisis and the global economic slow-down on the development prospects of the world’s poorest and most vulnerable people. “At the weekend, the IMF confirmed that the financial crisis and economic slow-down is global. So we must be global in our analysis and response”, said Mr. Sharma. “The shock waves now being experienced by the rich are felt many times over by those who have less, and who stand to lose what they have worked so hard to build”, said Mr Sharma. “Many Commonwealth countries and their people are at high risk of being the unintended collateral damage of the financial crisis and economic slowdown in developed countries. I welcome the commitment to coordinated action in the developed world to deal with the financial crisis. But the global solutions now being debated and implemented need fully to take into account the needs of the world’s poorest and most vulnerable people. It is too easy to forget that the seismic shocks of the global financial earthquake are every bit as serious at the periphery as they are at the epicentre.”

Food, fuel – and now financial crisis

Mr. Sharma stressed that the challenges were particularly great for developing countries and smaller states, which are already experiencing slower growth in 2008. This reversal is the result of the severe strains being placed on their balance of payments, by rapid rises in food and fuel prices (at stages, up by a quarter and two-thirds respectively in 2008), and by higher inflation (up by a third).

“Before this financial crisis took its global hold, many Commonwealth countries were already in the grip of food and fuel crises. Some of our economies are especially dependent on trade, and therefore especially vulnerable to changes in the global economy. With the World Bank estimating that a further 44 million people have been added to the number of the world’s undernourished this year, slower economic growth is a human tragedy as well as an economic disaster,” he said.

Impact on developing countries

The Secretary-General highlighted some of the ways in which poorer countries will be affected by the crisis. “Lower global growth does not just mean less trade. It means less investment in Commonwealth developing countries; growing pressure on governments’ budgets; fewer remittances from Commonwealth citizens abroad to their home countries; and fewer tourists to Commonwealth destinations.” Mr. Sharma further stressed the overarching need for a response that is truly global.

“Some people are already comparing the situation facing the world now with that of 1929. We must learn the lessons of that time and recommit ourselves to work collectively to tackle this crisis for the benefit of world, constraining its worst effects. Decisive multilateralism is more important than ever”, he said.

Increased aid levels

The Secretary-General stressed that now was the time to maintain and increase development aid levels, and to commit to an early, development-oriented conclusion to the Doha Round of trade negotiations. “Less than three weeks ago, at an emergency summit in New York called in the face of serious slippage in progress towards meeting the Millennium Development Goals, UN Secretary-General Ban Ki Moon declared that there is a global development emergency. That emergency is now intensified by the developments in the financial markets.”

Members News

Australia

Country Correspondent:
Ms Usha Narain

ATO's Annual Report for 2007-08

The ATO's Annual Report 2007–08 was tabled in the Australia Parliament on 15 October. Each year, the Commissioner must present a report to parliament outlining our work over the past financial year. The report's primary purpose is accountability and it discusses how we have performed against the outputs detailed in the Portfolio Budget Statement and our corporate plan. The Annual Report is a key reference document and forms part of our historical record.

As usual, this year's report is packed with facts and figures about the work of the ATO, including how we employed 23,303 people who helped shape the organisation, and we achieved \$270.9 billion in net cash collections and issued 12,690,659 refunds. A copy of the annual report can be found at <http://www.ato.gov.au/corporate/content.asp?doc=/content/00166129.htm>

First annual compliance arrangement signed between ATO and the Australia and New Zealand Banking Group Limited (ANZ)

The ATO and ANZ signed Australia's first Annual Compliance Arrangement, signalling a more open and transparent approach to managing risks concerning income tax between the ATO and corporate Australia. The signing supplements the existing compliance and risk management arrangements previously signed by ANZ and the ATO for goods and services tax and fringe benefits tax. Annual Compliance Arrangements are designed to improve practical certainty for large businesses in real time.

Tax Collection Agreement signed by Australia and New Zealand (NZ)

The Australian and NZ Governments finalised an agreement to assist each other with collecting their tax debts. The agreement allows each country to request the other to take action on its behalf to preserve the taxpayer's assets and recover tax debts. Actions can be taken even if the taxpayer is no longer a resident in either country. The agreement was incorporated into the current tax treaty and reflects the ATO's ongoing commitment to enhanced cooperation with overseas tax administrations, cross-border collection and counter-avoidance measures. NZ is the first country with which such an agreement is fully effective. Similar agreements are being negotiated with other countries and it is anticipated that these arrangements will also be included in most future or revised bilateral treaties.

Two visitors from overseas

An officer from the Department of Income Tax in Pakistan and an officer from the South African Revenue Services are currently visiting the ATO on secondment. While on secondment, the officer from Pakistan hopes to expand his expertise in taxation of international transactions. The South African officer hopes to follow-up his work in counteracting aggressive tax avoidance structures devised by South African banks.

Secondments between the ATO and other countries have a number of benefits including the formation of organisational relationships between the ATO and other revenue authorities, contributing to the organisational capabilities of the other country and building capabilities in the secondees.

Whilst the ATO supports and recognises the importance of international secondments, the Tax Office receives a considerable number of requests each year and has limited capacity to program and host visits for overseas delegates. Any requests for secondment to the Tax Office are considered on a case-by-case basis.

Exchanging ideas on international agenda

The ATO recently hosted delegates from Mexico, Argentina and Sri Lanka. The focus of the 2-day visit was information exchange, with discussions ranging from data manipulation to the ATO's processing of external data. The delegates were interested in the strategies used by the ATO to recognise when information might be required and how to manage the use of information exchanged through treaty arrangements. Overall it was a very successful visit and the delegates were appreciative of the ATO's willingness to share knowledge.

The ATO's century project

On 11 November 2010 the ATO will celebrate our 100th birthday. As a part of our centenary celebrations historian Leigh Edmonds will research and record the memoirs of our organisation in a book to be published in 2010. The book will chronicle the years of ATO service and will feature the technical and official aspects of the organisation as well as personal input from our current and previous staff.

Canada

**Country Correspondent:
Ms Christina Lee**



The Canada Revenue Agency's Auditor Apprenticeship Program

Background

The Canada Revenue Agency (CRA) has instituted a program aimed at attracting highly motivated college and university graduates. The Auditor Apprenticeship Program (AAP) offers qualified graduates an opportunity to gain relevant work experience that positions them to apply for entry level positions within the CRA once they complete the program.

An applicant to AAP need not have prior working experience in accounting or auditing and in fact is eligible to apply even if the educational requirements of a job notice are not yet fulfilled. This is a departure from the normal recruiting process where educational requirements are expected to be met prior to applying for the position.

The CRA has an arrangement with the Certified General Accountants Association of Canada (CGA) to ensure that one year of apprenticeship satisfies the CGA's Foundation Level Experience standard and two years in an auditor position satisfies its Professional Level Experience standard (accounting designation). The CRA also pays the tuition fees for each course successfully completed as well as the membership dues for various Canadian accounting associations (i.e., Certified Management Association, Canadian Institute of Chartered Accountants), including the CGA.

Recruiting Process

CRA recruiters hold information sessions on college and university campuses each October to promote the program and encourage eligible candidates to apply.

The AAP is also open to current CRA employees and other federal government

employees who meet the following educational requirements:

- Successful completion of a college diploma or university degree in accounting, finance, business administration, commerce or other relevant program within the designated time period
- Successful completion of Introductory and Intermediate Accounting Courses (I&II) before May of the year in which the program is set to begin

Though the Program is managed by Compliance Programs Branch Headquarters (HQ) in Ottawa, the individual Tax Services Offices (TSOs) located throughout the country are responsible for identifying college/university campuses and determining the geographical boundaries of their respective recruitment areas.

To ensure consistency in the selection process, interview questions, sample answers and a scoring scheme are developed by National coordinators based in HQ. Local TSO input is solicited in the preparation of the selection board information packages that are given to the recruiting offices.

Applicants are responsible for all personal costs incurred for travel, testing, interviews, appointments or relocation. Successful candidates receive conditional offers of employment in early December. By spring of the following year, after security checks, language testing where appropriate and completion of education requirements, the successful applicants begin their apprenticeship. Starting salaries for apprentices begin at \$46,873.00 and upon successful completion and appointment as a CRA auditor, the annual salary increases to \$52,002.

Apprenticeship Program

The apprenticeship incorporates classroom instruction, independent study, on-the-job training, peer coaching and work assignments. By the end of the 12-month training program, apprentices should be ready to meet the standards of competence expected of new auditors.

Evaluation

A national evaluation system ensures that apprentices attain the required competencies for the program before being appointed to entry level auditor positions. Performance is formally evaluated throughout the program to support a final decision to:

- promote; or
- release on probation (all AAP participants are on probation for the duration of the program)

AAP Funding

Funding for the AAP is shared by CRA HQ and the Regional Offices, which in turn, distribute funds to their respective participating TSO's. Headquarters also covers additional costs related to:

- on campus room rentals for career fairs, testing and interviews
- testing fees
- national campaign literature and marketing costs
- recruiters' travel costs during the on-campus recruitment campaign (career fairs, written tests and interviews); and
- travel costs for recruiters and other CRA personnel attending national workshops.

During the first year of the program, six (6) offices recruited 33 apprentices. In 2007, fifteen TSO's participated in the process, resulting in the hiring of 145 apprentices, well above the initial objective of 80-85 apprentices.

Currently 12 offices have initiated recruitment activity and two (2) offices may use a “student bridging mechanism” to place former summer students in the program. This year’s objective of 75-80 apprentices is in line with last year’s initial objective.

AAP is entering its fifth year of operation. The close partnership between Headquarters and the Regions (including the TSOs) is an essential element to the success of this program.

The Auditor Apprenticeship Program is a successful mechanism for attracting well-qualified, motivated individuals to the CRA. It is an excellent opportunity to achieve employment equity initiatives or to address the concerns of an aging workforce by ensuring a steady influx of vibrant new workers.

Cyprus

**Country Correspondent:
Mrs Athina Stephanou**



Correction to Newsletter September 2008

The recognized by Law lawyers confidentiality is excluded from the provisions of the legislation and therefore cannot be lifted, in case information for a non-resident needs to be exchanged under a Double Tax Agreement with a foreign Tax Authority.

The recognized by Law lawyers confidentiality is expected to relate to information that could only be obtained or exchanged with a client by a lawyer in his professional capacity and relates to information that could not be obtained by another person in his capacity as a professional, provided this information is

not available to the public. For example if a lawyer is appointed to hold shares as a nominee, as any professional could hold shares as a nominee, disclosure is not covered by the recognized by Law lawyers confidentiality and therefore the names of the beneficiaries can be disclosed. If a document relates to information given to a lawyer for the defense of his client, provided this document is not available to the public i.e. has not been or is not about to be presented to court, then the document is covered by the recognized by Law lawyers confidentiality and its content cannot be disclosed.

*Transition Facility Project of Cyprus
Academy of Public Administration –
Funding Programme: Unallocated
Institution Building Facility – European
Union*



In 2005 the Cyprus Academy of Public Administration (CAPA) was awarded under Transition Facility of European Union the funding of a project of 1.05 million Euro, with objective to strengthen the administrative capacity of public administration for a more effective and efficient participation in the European Union.

Below is the article I wrote, to be published in a special edition that will be issued as a result of the end of the project that took 25 months to complete.

The Department of Inland Revenue took part in the above project with 77 different employees. Most employees took part in more than one seminar. The total of training hours the 77 employees had during the project were 2220 and they involve 6 seminars offered only to the DIR employees

and 8 seminars offered to employees from different government departments.

The certainty is, that if the Department did not at the same time ensure the following co-operations our participation in the above project would have been much higher.

The co-operations it ensured were with the Cyprus Academy of Public Administration and the Hellenic Ministry of Economy and Finance School on a project funded by INTERREG III, for the provision of specialized seminars for the Department and the preparation of a manual for the audit of taxpayers, in co-operation with employees of the Ministry of Finance in Greece. The manual covers the sectors of commerce and industry. The Department also gained funding, through the Planning Bureau, from the EU (Light Twinning), for a project that involved the preparation of 5 tax audit manuals for specific sectors of the economy. The vision of the Learning Unit, (Training Section), is the integration of training within the Department, which will lead to the achievement of the vision of the organization. The strategic goals of the Learning Unit are the recognition from the whole of the organization the necessity of training as we live in a continuous changing world, the creation of a culture of co-operation and sharing of knowledge, the training of employees in matters that will help them do their work better for the achievement of the targets of the department, the promotion of feedback from staff for the improvement of the organization and the offering of seminars of general but necessary content e.g. EU matters. The vision of the organization on the basis of which the strategic goals are specified, is the maximum increase in voluntary compliance of taxpayers and the increase in the revenues collected.

The seminars offered specially for the employees of the DIR were:

Lisbon Strategy, Multilateral Control, Performance Budgeting and Performance

Indicators, Performance Targets, Introduction of Euro, Tax Case Law.

Except from the seminar introduction, of Euro that is a seminar of a general nature, the knowledge obtained from the rest of the seminars by the participants, can be applied within the framework of the work they are responsible to currently perform. The knowledge obtained from the seminar Lisbon Strategy could be used for the support of projects that need funding either from European or National Funds. It is clear how the content of the rest of the seminars can be used for the improvement of current work.

The seminars in which we participated with employees from other government departments are:

Data Protection Law, Competition Policy, Equality Policies, Training, Transposition of EU Law to local legislation, Better regulation, Design and completion of projects co-funded by the E.U.

Except from the seminar Equality Policies that is of a general nature, the knowledge obtained from the rest of the seminars by the participants, can be applied within the context of the work they are responsible to currently perform.

As regards the possible effect on the organization, in my opinion, the effect and especially the short term effect depends on whether the knowledge can be immediately applied, on the number of people trained to apply the knowledge and the extent of the application of knowledge, i.e. if it can be applied to a big number of taxpayers or a small number of taxpayers with a large contribution to GDP etc.

As a result of the simultaneous other projects under INTERREG III and Light Twinning, with a short-term effect, on the results of the Department I would say that most seminars attended under the Transition Facility of the CAPA, are not seminars with

a short-term effect on the results of the organization.

In my opinion seminars like Lisbon Strategy (short explanation of Lisbon Guidelines), Performance Indicators and Performance Targets ,Better Regulation, Transposition of EU Law to local legislation, Design and completion of projects co-funded by the E.U, competition policy especially state aid are seminars that can be promoted by the CAPA after some adjustments to the content .The seminar EC Tax Case Law with extension of content i.e. more tax cases relating to companies and other businesses, could be repeated for the Department.

At the end of the project it will be a great omission not to thank the CAPA for its contribution to the training of organizations in specialized seminars and of course the organizations that undertook the project, the Centre of European Constitutional Law in Greece and the Finnish Institute of Public Administration (HAUS) .I hope that this kind of contribution by the CAPA to government employees, continues in the future.

New Zealand

**Country Correspondent:
Mr Nigel Shatford**

Appointment of Deputy Commissioner, Business Development & Systems

Tim Occleshaw has been appointed to the position of Deputy Commissioner for the Business Development and Systems business group.

Tim is currently the CIO for the Ministry of Social Development where he has led the development of the Ministry's legacy systems transformation strategy and built a strong IT programme delivery capability. Tim was also named New Zealand *CIO of the Year*.

Tim has previously held senior roles in the banking industry in NZ and Australia, including CIO of ANZ bank, and also senior business and programme management roles in both countries.

New Zealand's Inland Revenue administers savings scheme

KiwiSaver is a voluntary savings initiative designed to make it easier for New Zealanders to save for their future and started in New Zealand on 1 July 2007. The intention of KiwiSaver is to encourage New Zealanders to develop savings habits, with the aim of increasing individual's well-being and financial independence, particularly in retirement.

KiwiSaver is a unique approach to savings. What makes it different is the automatic enrolment of new employees. This is designed to address people's savings inertia by making it easy to get into and harder to get out of. All New Zealanders from the age of 18 are generally automatically enrolled in KiwiSaver when they start a new job, however they can 'opt-out' if they wish. If people do nothing and the opt out period passes, they are a KiwiSaver member. People can also join KiwiSaver at any time through their employers, or directly through a provider.

KiwiSaver schemes are administered by providers (for example, banks or investment companies). When an employee is automatically enrolled, they are allocated to a default low-risk fund. KiwiSaver members can change to another provider and scheme at any time.

Most KiwiSaver members contribute to their savings from their salary, and can access their savings when they reach the age of 65, or have been a member for five years (whichever is later).

For salary and wage earners, Inland Revenue collects KiwiSaver member contributions, together with taxes and social policy

payments, and passes the contributions on to the provider. This is done via an Employer Monthly Schedule (EMS), which employers complete every month. The EMS includes all tax and social policy deductions for all employees. Self-employed people and children can pass their contributions straight to their provider.

There are several benefits to being a KiwiSaver member, which include a \$1000 one-off kick-start from the Government, an annual tax credit of up to \$1043, and a provider fee subsidy. KiwiSaver members may also be eligible for help with a deposit on their first home. Some providers offer a "mortgage diversion" where up to half of the member's KiwiSaver contributions can go towards paying the mortgage on their home.

Members can contribute either 4% or 8% of their take home pay, and this is topped up by a compulsory employer contribution (CEC) of 1%. Under current rules, from the 1 April 2009, CEC will rise to 2%, and rise by 1% each year until it reaches 4%.

Currently, there are over 800,000 New Zealanders enrolled in KiwiSaver.

For more information on KiwiSaver and how it works, please visit www.kiwisaver.govt.nz.

Possible mutual recognition of imputation credits

New Zealand's submission to the review "Australia's Future Tax System" presented the case for introducing trans-Tasman mutual recognition of imputation and franking credits. The submission, which is now available to the public, was made at the invitation of the Australian Treasurer Wayne Swan in July, when both governments announced they were open to the idea of moving towards mutual recognition for imputation purposes of company taxes paid in the other jurisdiction.

Australia to collect New Zealand tax debt (& vice versa)

Arrangements are now in place to allow New Zealand and Australia to help each other collect tax debts. The arrangements form part of New Zealand's tax treaty with Australia and came into effect on 8 September 2008. They improve New Zealand's ability to collect outstanding tax from people who have left the country and reinforce cooperation between Australia and New Zealand in the enforcement of tax laws and the collection of tax.

Personal income tax changes

Personal income tax cuts were enacted as part of government annual budget announcements. The tax cut package is being rolled out progressively in three phases between 1 October 2008 and 1 April 2011. The first phase of the package – applying from 1 October 2008 - includes a reduction in the bottom rate of tax to 12.5% (for income up to \$14,000) and an increase in the income thresholds at which the 21%, 33% and 39% rates start applying. Under the second and third phases of the package – that occur on 1 April 2010 and 1 April 2011 – there will be further increases to the income thresholds at which the 12.5%, 21%, 33% and 39% rates start applying.

Nigeria

**Country Correspondent:
Mr Malik Tukur**



**Extracts from the National
Information Technology
Development Agency (NITDA) 2007
Act No. 28**

Commencement Date: 24th Day of April, 2007.

Enactment: Enacted by the National Assembly of the Federal Republic of Nigeria.

Part I – Establishment of the Agency

1. (1) There is established a body to be known as the National Information Technology Development Agency (hereafter in this Act referred to as “the Agency”).

(2) The Agency shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

Part II: Composition of the Governing Board, Powers and Functions

2. (1) There is established for the Agency, a Governing Board (in this Act, referred to as “the Board”) which shall have overall control of the Agency.

Powers of the Board:

The Board shall have Power to:

(a) formulate overall policy for the management of the affairs of the Agency;

(b) manage the National Information Technology Development Fund established under Section 12 of this Act;

(c) appoint, promote, terminate, dismiss and exercise disciplinary control over the Principal officers and senior staff of the Agency;

(d) structure the Agency into such number of departments as it deems fit for the effective discharge of the functions of the Agency; and

(e) exercise such powers as are necessary or expedient for giving effect to the provisions of this Act.

Part III: Functions of the Agency

The Agency shall:

(a) create a framework for the planning, research, development, standardization, application, coordination, monitoring, evaluation and regulation of Information Technology practices, activities and systems in Nigeria and all matters related thereto and for that purpose, and which without detracting from the generality of the foregoing shall include providing universal access for Information Technology and systems penetration including rural, urban and under-served areas;

(b) provide guidelines to facilitate the establishment and maintenance of appropriate infrastructure for information technology and systems application and development in Nigeria for public and private sectors, urban-rural development, the economy and the government;

(c) develop guidelines for electronic governance and monitor the use of electronic data exchange and other forms of electronic communication transactions as an alternative to paper-based methods in government, commerce, education, the private and public sectors, labour, and other fields, where the use of electronic communication may improve the exchange of data and information;

(d) develop guidelines for the networking of public and private sector establishments;

(e) develop guidelines for the standardization and certification of Information Technology Escrow Source Code and Object Code Domiciliation, Application and Delivery Systems in Nigeria;

(f) render advisory services in all information technology matters to the public and private sectors;

(g) create incentives to promote the use of information technology in all spheres

or life in Nigeria including the setting up of information technology parks;

(h) create incentives to promote the use of information technology in all spheres of life in Nigeria including the development of guidelines for setting up of information technology systems and knowledge parks;

(i) introduce appropriate regulatory policies and incentives to encourage private sector investment in the information technology industry;

(j) collaborate with any local or state Government, company, firm or person in any Activity which in the opinion of the Agency is intended to facilitate the attainment other objectives of this Act;

(k) determine critical areas in Information Technology requiring research intervention and facilitate Research and Development in those areas;

(l) advise the Government on ways of promoting the development of information technology in Nigeria including introducing appropriate information technology legislations, to enhance national security and the vibrancy of the industry;

(m) accelerate Internal and Intranet penetration in Nigeria and promote sound Internet Governance by giving effect to the Second Schedule of this Act; and

(n) perform such other duties which, in the opinion of the Agency, are necessary or expedient to ensure the efficient performance of the functions of the Agency under this Act.

PART IV - ESTABLISHMENT OF THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT FUND – (NITDEF)

12.-(1) There is established a Fund, which shall be known as the National Information Technology Development Fund (in this Act referred to as “the Fund).

(2) There shall be paid and credited into the Fund established under sub-section (1) of this section:

(a) a levy of one percent of the profit before tax of companies and enterprises enumerated in the Third Schedule to this Act with an annual turnover of #100,000,000.00 and above and such paid by the companies shall be tax deductible;

(b) grants-in-aid and assistance from bilateral and multilateral agencies;

(c) All other sums accruing to the Fund by way of gifts, endowments, bequest or other voluntary contributions by persons and organizations.

Provided that the terms and conditions attached to such gifts, endowments, bequest or contributions will not jeopardize the functions of the Agency;

(d) such monies as may be appropriated for the Fund by the National Assembly; and

(e) All other monies or assets that may, from time to time accrue to the Fund.

13. All monies accruing to the Fund and accounts of the Agency from the sources specified in section 12 and 19 of this Act respectively shall be exempted from income tax and all contributions to the Fund and the accounts of the Agency shall be tax deductible.

14. The Board may, in accordance with the Investments Trustees Act, invest any surplus Fund in profit yielding ventures and the net incomes so generated shall be paid into the *treasury*.

15.-(1) the Director-General of the Agency shall keep proper records of the accounts, sources and use of the monies and assets of the Fund and shall render accounts to the Board, from time to time.

(2) The account of the Fund shall be audited not later than 3 months after the end

of the year to which it relates by auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation.

16.-(1) the Federal Inland Revenue Service shall assess and collect the levy imposed under section 12 of this Act.

(2) The Federal Inland Revenue Service shall, while assessing any company for either company income tax or petroleum profit tax due under this Act.

(3) The levy imposed under section 12 of this Act shall be due and payable within 60 days after the Federal Inland Revenue Service has served notice of the assessment on a company in such form as the Federal Inland Revenue Service may, from time to time, determine.

(4) Where a levy imposed under section 12 of this Act is not paid within the time specified in that section, the Federal Inland Revenue Service shall serve on the company, a demand note for the unpaid tax plus a sum which is equal to 2 percent of the levy.

(5) Any company, Agency or organization that fails within two months after a demand note, to pay the levy or the import duty import duty impose under section 11 of this Act commits an offence and shall on conviction shall be liable to a fine of not less than #1,000,000.00 and the Chief Executive Officer of the company, Agency or organization shall be liable to be prosecute and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the act or omission constituting the offence took place without his knowledge, consent or connivance.

(6) The institution of proceedings or imposition of a penalty under this Act shall not relieve a company or organization from liability to pay to the Federal Inland Revenue Service such levy or levies that may become due under this Act.

17.-(1) Except as otherwise provide in this Act, any person or corporate body who contravenes or fail to comply with the provisions of this Act commits an offence.

(2) Where a body corporate fails to make payment within two months after a demand note for unpaid levy plus a sum which is equal to 2 percent of this levy has been served on the body corporate, the body corporate commits an offence under this Act.

(3) Where an offence under this Act is committed by a body corporate or firm or other association of individuals:

(a) Every Chief Executive Officer of the body corporate or any officer acting in that capacity or on his behalf; and

(b) Every person purporting to Act in any capacity mentioned under paragraph (a) of this subsection (3) commits an offence, unless he proves that the Act or omission constituting the offence took place without his knowledge, consent or connivance.

(4) where a person or body corporate fails to comply with the guidelines and standards prescribed by the Agency in the discharge of its duties under this Act, such person or body corporate commits an offence.

(5) The Agency shall collaborate with the Standards Organization of Nigeria to enforce the guidelines and standards formulated by the Agency in the discharge of its duties under the Act.

18.-(1) Except as otherwise provided in this Act, any body corporate or person who commits an offence under this Act where no specific penalty is provided, is liable on conviction;

- (a) For a first offence, to a fine of #200,000 or imprisonment for a term of 1 year or to both such fine or imprisonment; and
- (b) For a second and subsequent offences, to a fine #500,000 or to imprisonment for a term of 3 years or to both such fine and imprisonment.

(2) the institution of proceedings or imposition of a penalty under this Act shall not relieve a body corporate from liability to pay to the Federal Inland Revenue Service such levy or tax which or may become due under this Act.

PART V - INFORMATION TECHNOLOGY PARKS

19.-(1) Subject to this Act, the ministry shall by order, designate and facilitate the establishment of Information Technology Parks (in this Act referred to as “the Parks”) all over the Country.

(2) Upon application made in that behalf by the Minister, through the Board charged with responsibility for matters relating to Commerce, the President may by Order designate the Parks as Free Zones and may specify in the Order such incentives and/or tax holidays that enterprises engaged in the Parks may enjoy.

PART VI- FINANCIAL PROVISIONS

20. The Agency shall establish and maintain an account into which shall be paid and credited:

- (a) all subventions and budgetary allocations from the Federal Government;

- (b) gifts, loans, grants-in-aid from national, bilateral organizations and agencies;
- (c) rents, fees and other internally generated revenues from services provided by the Agency and
- (d) All other sums accruing to the Agency from time to time.

21-(1) The Agency may, from time to time, apply the proceeds of the Fund established under section 12 of this Act:

- (a) to the cost of administration of the Agency,
 - (b) to the payment of the emoluments, allowances and benefits of members of the Board and for reimbursing members of the Board or of any committee set up by the Board and for such expenses as may be expressly authorized by the Boards.
 - (c) to the payment of the salaries, fees or other remuneration or allowances gratuities and pensions, and other benefits payable to the staff and other employees of the Agency, so however that no payment of any kind under this paragraph (except such as may be expressly authorized by the Board) shall be made to any person who is in receipt of emoluments from the Government of the Federation or of a State;
 - (d) for the development and maintenance of any property vested in or owned by the Agency;
 - (e) for maintaining general financial reserves subject to general or special directive that may be given in that behalf by the Minister in accordance with the provisions of this Act; and
 - (f) to any other expenditure in connection with all or any of its functions under this Act; and
- (2) Proceeds from the Fund established under section 12 (b) shall be applied for the purpose which such gifts, loans or grant-in-aid were made.

(3) Proceeds from the Funds established under section 12(b) shall be remitted to the treasury of the Federal Government.

22-(1) the Agency shall, not later than 30th September in each year, submit to the Minister an estimate of its expenditure and income (including payments to the Agency's Fund) for the next succeeding year.

(2) The Agency shall keep proper accounts in respect of each year and proper records in relation to those accounts and shall cause its accounts to be audited within six months after the end of each year by Auditor-General for the Federation.

23. The Agency shall prepare and submit to the Minister not later 30th June in each year a report in such form as prescribed in this Act on the Activities of the Agency during the immediately preceding year, and shall include in the report a copy of the audited accounts of the Agency for that year and of the auditor's report thereon.

24.-(1) the Agency may accept gift of land, money or other proper on such terms and conditions, if any, as may be specified by the person or organization making the gift.

(2) The Agency shall not accept any gift if the conditions attached by the person or organization making the gift are inconsistent with the functions of the Agency under this Act.

25. The Agency may, in accordance with the general authority of the Minister, borrow such sums of money as the Agency may require in the exercise of its functions under this Act or its subsidiary legislation.

26-(1) The Agency shall be exempted from the payment of income tax on any income accruing from investments made by the Board or otherwise howsoever.

(2) The provisions of any enactment relating to the taxation of companies or Trust Funds shall not apply to the Agency or the Board.

PART VII- LEGAL PROCEEDINGS

27.-(1) Subject to the provisions of this Act, the provisions of the public officers projection Act shall apply in relation to any suit instituted against any member or officer or employee of the Agency

(2) Notwithstanding anything contained in any other law or enactment, no suit against a member of the broad, the Director-General or any other officer or employee of the Board, for any act done in pursuance or execution of this Act or any other law or enactment, or of any public duties or authority or in respect of any alleged neglect or default in the execution of this Act or any other law or enactment, duties or authority, shall lie or be instituted in any court unless it is commenced:

- (a) within three months next after the act, neglect or default complained of; or
- (b) in the case of a continuation of damage or injury, within six months after the ceasing thereof.

(3) No suit shall be commenced against a member of the Board, the Director-General or any other officer or employee of the Agency before the expiration of a period of one month after written notice of the intension to commence the suit shall have been served on the Agency by the intending plaintiff or his agent.

(4) The notice referred to in subsection (3) of this section shall clearly and explicitly state:

- (a) the cause of Action;
- (b) the particulars of the claim;
- (c) the name and place of abode of the intending plaintiff; and
- (d) the relief which he claims.

28. A notice, summons or other document required or authorized to be serve on the Agency under the provisions of this Act or any other law or enactment may be serve by

delivering it to the Director-General at the principal office of the Agency.

29.-(1) In any Action or suit against the Agency, no execution or attachment of process in the nature thereof shall be issued against the Agency unless not less than three months notice of the intention to execute or attach has been given to the Agency.

(2) Any sum of money which by the judgment of any court has been awarded against the Agency shall, subject to any direction given by the court, where no notice of appeal against the judgment has been given, be paid from the fund of the Agency.

30. A member of the Board, the Director – General, or any officer or employee of the Agency shall be indemnified out of the assets of the Agency against any liability incurred by him in defending any proceeding, whether civil or criminal, if the proceeding is brought against him in his capacity as a member, Director - General, officer or other employee of the Agency.

PART VIII- MISCELLANEOUS

31. The Minister may give to the Agency or the Director-General such directives of a general nature or relating generally to matters of policy with regards to the exercise of its or his functions as he may consider necessary and it shall be the duty of the Agency or the Director-General to comply with the directives or cause them to be complied with.

32. The Board may make such regulations as in its opinion are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions.

33.-(1) the National Information Technology Development Agency is the successor- in-title in every way to the powers, duties and functions of the former National Information Technology Development Agency:

- (a) All existing contracts, agreements and compacts currently in effect by the National Information Technology Development Agency continue in effect;
- (b) All existing contracts currently in effect by the National Information Technology Development Agency continue in effect;
- (c) Any positions authorized and allocated subject to the personnel laws of the former National Information Technology Development Agency are transferred to the National Information Technology Development Agency;
- (d) All records, property and equipment previously belonging to or allocated for use of the former National Information Technology Development Agency become, on the effective date of this Act, part of the property of the National Information Technology Development Agency; and
- (e) All existing forms, licenses, letterheads and similar items bearing the name of or referring to the “National Information Technology Development Agency” may be utilized by the National Information Technology Development Agency until existing supplies of those items are exhausted.

Singapore

**Country Correspondent:
Ms Angeline Chan**

60 Years of Tax Administration

IRAS celebrated 60 years of tax administration in August 2008 with the launch of the new IRAS Gallery and a limited edition commemorative book “The

IRAS Story – 60 Years of Tax Administration in Singapore” by Singapore’s Minister for Finance, Mr Tharman Shanmugaratnam. The IRAS Gallery and the commemorative book chronicle the transformation of tax policy and tax administration in Singapore. As part of the celebration, IRAS also held an IRAS Charity Walk, the first large-scale charity event in IRAS’ history on 31 August 2008 and raised a sum of \$146,000 for four beneficiaries.

Enhancement of Tax Agent Relationship

Tax agents play an important role in taxpayers’ compliance and serve as a valuable channel of feedback for IRAS in the formulation and refinement of tax policies. As part of IRAS’ ongoing efforts to strengthen our relationship with tax agents, we will be setting up a tax agent website and database to disseminate the latest tax information and update tax agents on available seminars or workshops. Tax agents will also be able to tap into a new \$1.3million training fund jointly offered by IRAS and the Institute of Certified Public Accountants in Singapore for training courses offered by the Tax Academy of Singapore. The new fund, which will be available from January 2009 and will last for 5 years, was set up to encourage more tax professionals to hone their expertise so as to facilitate them in ensuring tax compliance by businesses.

Administrative Guidance on Advance Pricing Arrangements

IRAS had earlier issued a Transfer Pricing guide that provides guidance on the application of an Advance Pricing

Arrangement (“APA”) with respect to transfer pricing. To provide greater clarity on the considerations and procedures which an APA applicant should observe to facilitate the acceptance by IRAS of an APA application and the discussion and agreement by or among the competent authorities concerned, IRAS has issued an Electronic Tax Guide titled “Supplementary Administrative Guidance on Advance Pricing Arrangements” at www.iras.gov.sg.

Transfer Pricing Guide

IRAS recently conducted a Transfer Pricing Consultation with selected taxpayers to assess the ease and level of compliance by taxpayers with the Transfer Pricing guidelines. To provide taxpayers with greater clarity on the application of the Transfer Pricing Guidelines to related party loans and related party services, IRAS has drawn up a draft supplementary circular and is seeking feedback from taxpayers before finalizing the circular. In this regard, IRAS has issued an Electronic Tax Guide titled “Public Consultation: Supplementary Circular on Transfer Pricing Guidelines for Related Party Loans and Related Party Services“ at www.iras.gov.sg.

Annual Report for FY2007/2008

IRAS published its Annual Report for FY2007/2008. For the financial year of 2007, IRAS collected a record \$29.2 billion in tax revenue, \$6.3 billion or 28% higher than FY2006/07. Cost of tax collection is at 0.77 cent per dollar collected, 6% lower than the 0.83 cent in FY2006/2007. The IRAS Annual Report for FY2007/2008 may be accessed at www.iras.gov.sg