



THE COMMONWEALTH ASSOCIATION  
OF TAX ADMINISTRATORS

# NEWSLETTER

**March 2019**



## Editorial

The first quarter of the calendar year 2019 has come to an end and with it the winter seems to be giving in reluctantly to some warmer weather. The memories of 2018 are also quickly receding but of course we can't forget that 2018 was a very memorable year for CATA, not least because the Association celebrated its 40<sup>th</sup> Anniversary but more so because we achieved major milestones. After a lull of over 20 years, our CATA Annual Technical Conference was held in the

Pacific Region, thanks to Fiji Revenue & Customs Service. The major highlight of the year was the 14<sup>th</sup> General Meeting which brought in new office bearers including the President and the Chairman of the Management Committee.

This year is another promising one not only for the Association but also the member countries. Two issues that stand out are the implementation of the Organisation for Economic Cooperation and Development's (OECD) base erosion and profit shifting (BEPS) action points, which will no doubt unsettle the tax landscape, but also the uptake of digitalization by many tax administrations. Already there are good signals on the implementation of BEPS going by the number of countries who have signed up as members of the Inclusive Framework although numbers in themselves may not mean much if countries do not take actions beyond merely signing the protocols.

The debate on the digital economy is still on-going at the OECD but that notwithstanding a number of countries have taken unilateral measures to impose tax on digital transactions. This unilateralism is likely to create frictions among countries as the determination of 'nexus' and hence 'taxing rights and profit allocation' between jurisdictions may overlap with the results being double, or multiple taxation of a single similar transaction thus impacting adversely on international trade.

As in the previous years, we foresee greater movement towards cooperation among tax administrations in terms of the new platforms for exchange of information, key among which will be the Country-by-Country Reporting (under the revised OECD Transfer Pricing Guidelines) and the 'beneficial ownership' information - all of which will require considerable engagement with the taxpayers.

In this edition, we read, for example, about Zambia tightening its transfer pricing legislation in regard to interest deductibility and related penalties for noncompliance, Mauritius taking proactive steps to ensure the integrity of Country-by-Country Reporting process, while New Zealand is putting in place a robust consultation mechanism on the implementation of BEPS initiatives. I'm sure other countries are also equally making good progress on these fronts. Of greater importance is for our member countries to engage actively in the international tax discourse so that their voices may count when key decisions are made. As they say, 'If you're not at the table, you're on the menu'.

*Duncan Onduru*

Executive Director

## [New Web site for CATA](#)

Changes made to internet browsers a month or so ago were incompatible with our previous web site and it proved necessary to replace it. We are sorry that the old site was missing for a while during this process but hope that you like the fresh look of the new site, which remains at <https://www.catatax.org>. Currently the Members Area is missing but we intend to replace this with a new and simplified version soon.

## [News from the Secretariat - please click on the hyperlinks in italics to access](#)

### [Commonwealth Day 2019 celebrations](#)

### [NTO Council meets in Rome](#)

The Network of Tax Organisations (NTO) held its second Council meeting in Rome, Italy from 5-7 March, 2019. NTO was formally launched in Ottawa...

### [Workshop on Tax Avoidance and Evasion](#)

Applications are invited for places on this workshop, which will take place in Nadi (Fiji), from 3 to 7 June 2019.

### [Secretariat hosts CEO Inland Revenue Board of Malaysia](#)

### [OECD launches blended learning on Taxation](#)

CATA was among the very many international organizations and tax officials from different jurisdictions who attended the launch of [blended learning module](#) by the OECD Global Relations Program. The launch, presided over by the Commissioner of Canada Revenue Agency Mr Bob Hamilton,

### [OECD issues Policy Note on taxation of the digital economy](#)

Following the recently concluded meeting of the Inclusive Framework members in Paris, the OECD has released a Policy Note providing a road map on the BEPS Action 1- Taxation of the digital economy.

## [News from our members](#)

### [New Zealand - International Questionnaire for tracking BEPS](#)

*Zambia - 2019 legislative changes*

*Mauritius - Publication of guides*

*Ghana - New income tax rates*

*India - Signing of bilateral agreement for exchange of CbC reports between India and United States*

*Isle of Man - Commitment to and regulation of beneficial ownership*

*Jamaica - Abolition of asset tax for non-financial institutions*

*Malta - revised guidelines on FATCA*

*Singapore - Revision of GST import relief for travellers*

## **Easter Greetings from the United Kingdom**



**Duncan Onduru**



**Megan Jones**



**Gerry Cook**