



THE COMMONWEALTH ASSOCIATION OF TAX ADMINISTRATORS

NEWSLETTER

March 2021

Editorial

Duncan Onduru, Executive Director

With the pandemic still relentlessly ravaging every sector and livelihoods, the challenges faced by tax administrations are enormous, but not insurmountable. The fact that the international community has survived one year with the COVID-19 pandemic, is a clear testament to how sheer determination and agility for change can turn any negative tide. During this first quarter of the calendar year, we have seen a number of countries scaling down (and in some cases, terminating) the various tax stimulus packages implemented at the onset of the pandemic. This has seen modest growth in tax revenues, but still far way short of the projected targets. In most countries, revenue forecasts have been revised downwards taking cognisance of the emerging waves of the virus in 2021.

But besides rolling back the numerous tax incentives, the proactive role taken by tax administrations in better, efficient, and effective ways of engaging with taxpayers, continue to play a crucial role in the recovery process. Tax administrations are 'collecting and analyzing fresh data from new transparency and disclosure submissions, sharing that information with each other via automatic information exchange protocols, thus extending their view across the entire footprint of the business.'¹

Unlike other crises in the past, the fight against COVID-19 appears to be a marathon and tax administrations must ensure that the measures put in place are sustainable. Pursuing quick policy fixes can only perpetuate the perverse vicious cycle - insufficient revenue leading to tax rate increases, distorting economic decisions, calling for additional tax rate changes.

The collaboration and partnership between tax administrations, facilitated by various international tax organisations have played a critical role in empowering tax officers across jurisdictions to respond to the numerous challenges occasioned by the crisis.

CATA members continue to be beneficiaries of these partnerships. We applaud the international efforts to reform the corporate tax framework as well as the ongoing work and discussions on VAT/GST in light of emerging digital services. The pandemic has added a sense of urgency to these initiatives.

The road ahead is bumpy, but hope abound. At the end of this crisis, we foresee the emergence of 'data-driven tax administrations', leveraging technology as an integral part of their broader compliance and enforcement strategies.

¹ 2021 EY Tax Risk and Controversy Survey

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News from the Secretariat

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

[Barbados deposits its instrument of ratification for the Multilateral BEPS Convention](#)



Barbados deposited its instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) with the Organisation for Economic Cooperation and Development (OECD) on 21st December 2020. The MLI will come into force on 1st April 2021.

[CATA and NIPFP host webinar on tax dispute resolution](#)

CATA and the National Institute of Public Finance and Policy (NIPFP) hosted a two-day webinar from 10th to 11th March 2021 that focussed on tax dispute resolution in the Commonwealth. The webinar provided a platform for revenue authorities to discuss concerns on international tax disputes and share country experiences on resolving such disputes.

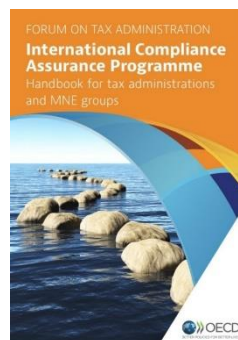
[Commonwealth Day 2021](#)



Commonwealth Day is an annual celebration observed by people all over the Commonwealth. This year, Commonwealth Day was celebrated on 8th March. Due to the coronavirus pandemic, the

annual Commonwealth Day service at Westminster Abbey could not be held this year. Instead, a special programme, which featured the Queen's Commonwealth Day message, was shown on the BBC on the evening of 7th March 2021.

[FTA releases handbook on ICAP](#)



The Forum on Tax Administration (FTA) has released a [handbook](#) to guide countries and multinational enterprises intending to engage in the International Compliance Assurance Programme (ICAP).

[Toolkit on tax treaty negotiations launched by the PCT](#)



The Platform for Collaboration on Tax (PCT) has released a [toolkit](#) that provides capacity-building support to developing countries on tax treaty negotiations. The toolkit describes the steps involved in tax treaty negotiations, how to decide whether a comprehensive tax treaty is necessary, how to prepare for and conduct negotiations, and what measures to undertake after negotiations.

[Uganda commits to AEOI Standard](#)



Uganda became the 116th jurisdiction to commit to the implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI) by 2023.

[Update from UN tax sub-committee](#)

The UN Subcommittee on Tax Challenges Related to the Digitalization of the Economy has issued a brief announcement on the development of the proposed introduction of new Article 12B (Income from Automated Digital Services or ADS) into the UN Model Tax Convention.

News from our members

By CATA Country Correspondents

Canada



[Improving services and providing interest relief to Canadians for the 2020 tax filing season](#)

The Canada Revenue Authority has introduced several measures to help taxpayers receive the tax and benefit measures they need and also to provide targeted interest relief to alleviate the economic impact of the coronavirus pandemic.

Cyprus



[E-Commerce new rules in the European Union](#)

As a member of the EU, Cyprus will be required to follow the new EU e-Commerce VAT rules from 1st July 2021.

Kenya



[East African revenue authorities seek a united front on taxing the digital economy](#)

Tax authorities in the East African Community (EAC) have agreed to develop a joint strategy to address taxing the digital economy. The strategy will leverage the explosion of digital businesses in the EAC region and will target both international and local online-based firms.

Malaysia



[Caring for the Nation - Malaysian Budget 2021 highlights](#)

Malaysia's 2021 Budget was announced on 6th November 2020. The Budget, which is the largest budget in Malaysian history (RM322.5b), focuses on around four broad themes - caring for the people, steering the economy, sustainable living and enhancing public service delivery.

Maldives



[Introduction of a comprehensive income tax regime in Maldives](#)

Maldives Inland Revenue Authority provides an overview of Maldives' income tax regime and also shares details on the introduction of a special regulation on income tax in response to the coronavirus pandemic.

New Zealand



[Targeted campaign on multinational distributors](#)

New Zealand's Inland Revenue reveals questionnaire findings from its targeted campaign on multinational distributors.

Mauritius



[The Mauritius Revenue Authority launches new projects on International Customs Day](#)

The Mauritius Revenue Authority shares details of new projects the authority launched on International Customs Day, which took place on 26th January 2021.

From our members' websites

Fiji



[FRCS announces new services on taxpayer online services](#)

Isle of Man



[Treasury Minister delivers 'budget of resilience' for the Isle of Man](#)

India



[CBDT launches e-portal for filing complaints regarding tax evasion/Benami Properties/Foreign Undisclosed Asset](#)

Malawi



[MRA spurs receipt demand with 'Kuiphula ndi Lisiti Langa' campaign](#)

Pakistan



[FBR exceeds the tax target for the period from July to January of current year](#)

Zambia



[ZRA optimistic about 2021 revenue target](#)

United Kingdom



[More help for Self Assessment taxpayers](#)

Upcoming Events

Taxation of International Transactions (TOIT) Programme

Arrangements for the 2021 TOIT Programme are in progress and the dates for the TOIT workshops have been decided:

TOIT Tax Treaty Workshop - 14th to 18th June 2021

TOIT Transfer Pricing Workshop - 21st to 25th June 2021

Further information about the programme will be shared with members once plans are finalised.

NTO 1st Technical Conference

18th to 22nd October 2021



The Network of Tax Organisations (NTO) will organise its 1st Technical Conference in Rome, Italy. The conference will be hosted by the Italian Guardia di Finanza and organised in collaboration with NTO member organisations and the Secretariat of the NTO.

41st CATA Technical Conference

8th to 12th November 2021

CATA's 41st Technical Conference will be held in Nicosia, Cyprus. Preparations for the conference are underway. Please visit the dedicated conference website (cata2021.tax.mof.gov.cy) for further information about the event.



That is one good thing about this world... There are always sure to be more springs.

- L.M. Montgomery

Sending springtime wishes from the UK to all members.



Duncan Onduru



Megan Jones



Gerry Cook

