

# HONG KONG TAX ALERT

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## Asia Pacific tax administration task force formed

*Tax agencies agree cooperation and coordinated input into the current global tax debate.*

### Highlights

- The SGATAR has formed an ongoing task force to provide year-round support to its 17 members from the Asia Pacific region, including mainland China, Hong Kong and Macau.
- The creation of the task force reflects the increasing move towards collaboration among tax administrations worldwide to address issues such as BEPS, multilateral information exchange, tax avoidance and evasion.
- The task force will also play a significant role in the various global forums while ensuring closer cooperation among the region's tax agencies.

On 24-27 November 2014, over 200 delegates attended the Study Group on Asian Tax Administration and Research (SGATAR) and the Heads of Training Institutions (MHTI) meeting in Sydney. The attendees represented 17 tax administrations<sup>1</sup> from the Asia Pacific region as well as observers from the Asian Development Bank, Inter-American Centre of Tax Administrations, OECD, IMF, UN and World Bank. Observers from the tax administrations of Fiji (also attending as Chair of Pacific Islands Tax Administrators Association), France, India, The Maldives and Vanuatu also attended.

SGATAR is an informal regional organisation of tax administrators in Asia-Pacific that was initiated by the Philippines and held its inaugural meeting in 1971. Members meet annually and exchange information, ideas, training initiatives and general experience in matters concerning tax administration and taxation in general. The body also encourages the development of a favourable tax environment that will support the growth of trade and investment in the Asia Pacific region. The MHTI was established in 2001 and is held alongside the SGATAR meeting every second year and aims to strengthen international training cooperation in order to improve the capability of SGATAR members to address tax matters.

At the conclusion of the meeting, a communiqué was issued disclosing that discussions had focussed on current international tax developments and how the region could best address these developments and ensure greater regional cooperation. Specific administrative issues discussed were globalisation and the erosion of the tax base, the operation of multinational entities, seamless exchange of information and the use of bulk data, and opportunities for capability development across all fields of tax administration.

<sup>1</sup> Australia, People's Republic of China, Hong Kong SAR, Indonesia, Japan, Republic of Korea, Macau SAR, Malaysia, Mongolia, New Zealand, Papua New Guinea, The Philippines, Singapore, Chinese Taipei, Thailand and Vietnam. (Cambodia attended as an observer and was admitted as the 17<sup>th</sup> member at conclusion of the meeting.)

The SGATAR members resolved to create an ongoing task force that will provide year-round support to members and is aimed at:

- Enabling the region to effectively engage in discussions and to keep up to date with international developments and issues including base erosion, profit shifting and tax transparency. The creation of this task force will facilitate members' involvement, including communicating their views to international forums.
- Facilitating cooperation and support for the development of robust, cohesive tax systems in each jurisdiction. Members will be able to use the task force to coordinate sharing of best practice and experiences and seek assistance on implementing initiatives such as exchange of information.

It is intended that SGATAR will become more involved in the OECD's Base Erosion and Profit Shifting (BEPS) project which accords with the G20 seeking greater input from developing countries. The creation of the task force also reflects the increasing move towards collaboration among tax administrations worldwide to address issues such as BEPS, multilateral information exchange, tax avoidance and evasion. The establishment of the task force will provide Asia Pacific tax administrators with a platform to play a significant role in the various global forums while ensuring closer cooperation among the region's tax agencies.

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