

Challenges and Opportunities in Implementing International Tax Standards in the Pacific

21 November 2019
ADB Headquarters – Manila, Philippines

Agenda

Background

Sound legal and regulatory frameworks that are compliant with internationally agreed standards are important to ensure the fairness and integrity of legal systems, mitigate reputational risks, give businesses greater certainty via standardized compliance requirements, and promote economic development. The global standards on tax transparency and exchange of information (EOI), including ultimate beneficial ownership (UBO), and to counter base erosion and profit shifting (BEPS) are designed to enhance the capacity to fight illicit flows, counter tax evasion and avoidance and protect jurisdictions' tax base while improving domestic resource mobilization. While the benefits flowing from the implementation of these standards are numerous, the challenges are equally demanding, in particular for developing countries in the Pacific. Some of these challenges have a political nature, such as generating high-level support and overcoming resistance and inertia, whilst others are more practical and related to the lack of capacity. Engagement in this international agenda amongst developing countries in the Pacific is important to ensure that common challenges and lessons are discussed between peer national authorities, and responses are considered within the context of national priorities.

Objective

This Regional Event is expected to provide a platform for developing countries in the Pacific to share their successes, challenges, lessons learned and national priorities, with respect to tax transparency and EOI, UBO, and the BEPS minimum standards. It focuses on national policies and strategies for ensuring the effective implementation of international standards, and also provides a setting for developing countries in the Pacific to access technical support to implement such strategies. It will facilitate convergence between development partners within the region in the development of innovative support strategies that promote consistency, avoid duplication and minimize fatigue among public administrations across the Pacific.

Participants

For this event, the expected participants are senior officials from Finance Ministries and Tax Administrations responsible for developing and implementing tax policies and tax systems, from the Asian Development Bank's (ADB) developing member countries (DMCs) in the Pacific, as well as representatives from ADB, Pacific Islands Tax Administrators Association (PITAA), Organisation for Economic Co-operation and Development (OECD), Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), and selected countries which are supporting resource- and capacity-building work in developing countries in the region.

This workshop is financed by **ADB's Regional Technical Assistance 9433: Enhancing Tax Transparency of ADB Developing Member Countries**. This event is co-organized by ADB in collaboration with the OECD, Global Forum and PITAA. For more details please visit: <https://www.adb.org/projects/51320-001/main#project-overview>.

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Draft Program

08:30 – 09:00 a.m.	Registration
09:00 – 09:20 a.m.	Opening Session <ul style="list-style-type: none"> Welcome address Mr. John Versantvoort, Head of ADB's Office of Anticorruption and Integrity (OAI) [5 min] Opening remarks by Mrs. Koni Ravono, Head of the Secretariat of the Pacific Islands Tax Administrators' Association (PITAA) [5 min] <p>Keynote speech: Mrs. Carmela Locsin, Director General, ADB's Pacific Department (PARD) [10 min]</p>
9:20 – 9:50 a.m.	Official Photo and Coffee Break
09:50 – 10:30 a.m.	Session 1: International Agenda on Tax and Development <i>Recent Developments</i> <p>Strengthening of tax policy and administration takes a central stage in the Sustainable Development Goals framework. Governments around the world are now putting significant effort into addressing tax evasion and countering base erosion and profit shifting (BEPS) by implementing international tax standards and closely engaging in global tax cooperation. Even more radical change may be on the way. These developments are particularly important for developing countries, which are often more dependent on corporate tax revenues than developed countries.</p> <p>This session will update participants on the high level policy dialogue currently underway in the international tax area, including the latest discussions at the G20, in the context of Tax and Development.</p> <ul style="list-style-type: none"> General presentation – Mrs. Melinda Brown, OECD [30 min] Open discussion & questions – all participants [10 min]
10:30 – 11:10 a.m.	Session 2: International Transparency Standards <i>Addressing Challenges on the Implementation of Internationally Agreed Standards</i> <p>Since 2009, much has been achieved in promoting tax transparency and exchange of information for tax purposes. Nearly 160 jurisdictions world-wide have now committed to implement the internationally agreed standard on tax transparency and exchange of information on request (EOIR). The commencement of automatic exchange of financial account information (AEOI) in 2017 and 2018 further limits the possibility for taxpayers to hide their assets. Minimum levels of transparency concerning the beneficial owners of corporate structures for tax as well as anti-money laundering purposes will increasingly limit the ability of tax evaders to hide behind shell corporations.</p>

	<p>This session will discuss the challenges associated with enhancing tax transparency and exchange of information domestically, including challenges and opportunities relating to the identification of beneficial owners in the region and the importance of close cooperation between different authorities.</p> <ul style="list-style-type: none"> • Panel Discussion: <ul style="list-style-type: none"> ○ General presentation – Mr. Andrew Auerbach, OECD [15 min] ○ Challenges and opportunities – presentation by selected developed and developing countries in the Region [15 min] <ul style="list-style-type: none"> ▪ Mr. Glenn Baek, Treasury Advisor to U.S. Indo-Pacific Command ▪ Mrs. Cheryl McCarthy, Deputy Commissioner, Financial Supervisory Commission, Cook Islands ▪ Mr. Andrew Haigh, Tax Administration Advisor, Customs and Tax Administration, Federated States of Micronesia ○ Open discussion & questions – all participants [10 min]
11:10 – 11:50 a.m.	<p>Session 3: Base Erosion and Profit Shifting (BEPS) <i>Addressing Challenges on the Implementation of Minimum Standards</i></p> <p>In November 2015, two years after the G20 Leaders endorsed the ambitious Action Plan on BEPS, the BEPS Package of 15 measures to tackle tax avoidance was agreed by all OECD and G20 countries and endorsed by G20 Leaders. The BEPS Project – which is now in its implementation stage – is focused on preventing double non-taxation without creating double taxation, requiring substance from both companies and countries, and closing off cross-border tax loopholes. Discussions will cover the recent developments in the work of the Inclusive Framework on BEPS, mainly focusing on the implementation of the four BEPS minimum standards: Harmful Tax Practices and Transparency (Action 5), Treaty Abuse (Action 6), Country-by-Country Reporting (Action 13), and Improving Dispute Resolution (Action 14).</p> <p>This session will provide an opportunity to exchange views and experiences on BEPS implementation in domestic tax policy and legislation, including specific challenges emerging in the region.</p> <ul style="list-style-type: none"> • Panel Discussion: <ul style="list-style-type: none"> ○ General presentation – Mrs. Melinda Brown, OECD [15 min] ○ Challenges and opportunities – presentation by selected developed and developing countries in the Region [15 min] <ul style="list-style-type: none"> ▪ Mrs. Phoebe Ward, Director, Economist Practice Unit, Australian Taxation Office ▪ Mr. Andrew John Simmonds, Senior Tax Auditor, Cook Islands Revenue Management Division ▪ Mr. Terry Greenwood, Deputy Secretary Revenue, Nauru Revenue Office ○ Open discussion & questions – all participants [10 min]
11.50 – 12.30 p.m.	<p>Session 4. How Pacific DMCs can benefit from implementing the standards <i>Analysing Costs and Benefits</i></p> <p>Increasing transparency hampers both tax evasion and tax avoidance. The latest tax transparency initiatives should contribute to providing tax administrations with useful information for assessing tax risks and specifically targeting those issues in an audit. This will disclose assets and income that tax authorities were not</p>

	<p>aware of and, in the case of AEOL, might never have known about otherwise. Greater transparency however involves costs including increased data gathering, reporting and information exchange either from taxpayers to tax authorities or between tax authorities. This is potentially problematic because information is not automatically translated into actions or increased revenue.</p> <p>This session will discuss how, and in which areas, can the benefits arising from greater transparency be assessed and maximized by Pacific DMCs.</p> <ul style="list-style-type: none"> • Panel Discussion: <ul style="list-style-type: none"> ○ Mr. Andrew Auerbach, OECD [5 min] and selected developed and developing countries in the Region <ul style="list-style-type: none"> ▪ Mr. Rhinehart Silas, Acting Director, Bureau of Revenue and Taxation of Palau [5 min] ▪ Mrs. Pipiena Faupula, Ministry of Revenue and Customs of Tonga [5 min] ▪ Mr. Mila Posini, Principal Budget Officer, Ministry of Finance of Samoa [5 min] • Round Table – all participants [20 min]
12:30 – 1:00 p.m.	<p>Session 5: Closing Session <i>Wrap-up and Next Steps</i></p> <p>This session will provide a platform for Pacific DMCs to exchange their experiences and prospective plans with respect to tackling tax evasion and tax avoidance, and will enable better understanding of current trends and regional priorities.</p> <ul style="list-style-type: none"> • Round Table – all participants [20 min] • Final remarks from Mrs. Koni Ravono, Head of PITAA's Secretariat [5 min] • Closing statement from Mr. Jose Luis (Joel) Syquia, Head of ADB's OAI Due Diligence Unit [5 min] • Evaluation & feedback from participants
1:00 – 2:00 p.m.	Lunch Break
2:00 – 4:00 p.m.	<p>Break-Out Session 6: Matching supply and demand <i>Identifying Priorities and Capacity Needs</i></p> <p>Break-out sessions where Pacific DMCs can present their priorities and action plans (if available) to development partners, so that technical assistance resources can be matched with national plans and priorities within each of these countries. Representatives of international organisations and selected countries which are supporting resource- and capacity-building work in developing countries in the region will share their experience and information on the available support and opportunities for cooperation.</p> <p>This session will focus on the identification of necessary actions in the short- and medium-term to ensure effective tackling of tax evasion and avoidance, as well as the importance of political leadership and interaction between various stakeholders for achieving the progress in practice.</p>
4:00 – 4:30 p.m.	Farewell Merienda