



Malaysia – Thailand - Korea

MEETING SUMMARY
2ND EXPANDED SGATAR TASKFORCE 2022/2023 MEETING
Kuala Lumpur, Malaysia
7 – 9 February 2023

Attendance:

Appendix 1

1. Introduction

The Chair, Dr Esther A.P. Koisin expressed her gratitude to all SGATAR members and representatives from international organisations (OECD, IBFD, ADB & NTO) for coming to Kuala Lumpur for the meeting. The Chair also mentioned that some of SGATAR members such as Australia, China, Hong Kong, New Zealand, Philippines, Vietnam and as well as international organisation such as the World Bank and IMF have conveyed their regrets for not being able to attend the meeting. Nonetheless, the Chair welcome members strong support in SGATAR’s initiatives especially in capacity building.

The Chair gave assurance that as Chair of the SGATAR Taskforce 2022/2023, Malaysia together with Thailand and Korea as members will give their best in making SGATAR on par with other international organisations.

2. Opening Remarks

Datuk Dr Sotimin Muhalip, Deputy CEO (Tax Operation), IRBM in his opening remarks commended the SGATAR Taskforce for drawing up a good agenda for discussion in the meeting. He looks forward to a good outcome of the meeting.

3. Introduction of new SGATAR Taskforce 2022/2023 members, representatives from SGATAR and other meeting participants

Every member present in the meeting introduces themselves starting from the SGATAR Taskforce Members; Malaysia, Thailand and Korea and the rest of the SGATAR members followed by representatives from international from ADB, IBFD, NTO and OECD.

4. Approval of 2nd Expanded SGATAR Taskforce 2022/2023 Meeting Agenda

The 2nd Expanded SGATAR Taskforce 2022/2023 Meeting Agenda (7-9 February 2023) was approved without any changes.

5. Discussion on the follow-up actions of the Working Groups proposals

During the 51st SGATAR Annual Meeting in Kuala Lumpur on 17-21 October 2022, the Working Groups have presented recommendations on the three topics that have been discussed. Those recommendations have been endorsed by the Heads of Delegation.

The Expanded Taskforce discussed the recommendations of the Working Groups and proposed the following actions:

a) Benefit test issues for intra-group services

	Recommendation by Working Group 1	Proposed follow up actions by the 2nd Expanded SGATAR Taskforce Meeting	Action Item
i.	Accurate delineation/ characterisation of the arrangement	To increase understanding on the transfer pricing issues, both competent authority are encouraged to have a joint fact-finding meeting.	SGATAR Taskforce will issue out proposals to all members for their bilateral consideration.
ii.	Consider thresholds for simplified approach for low value adding services	To minimise dispute, members could consider adopting a bilateral competent authority agreement.	SGATAR Taskforce will reach out to Australia, Indonesia and New Zealand for their experience in having a bilateral CAA on transfer pricing issue.
iii.	Capability development	SGATAR Taskforce will ensure that capacity building programmes under the 5-Year Plan for this year is carried out.	SGATAR Taskforce will work with international organisations on capacity building development.
iv.	Proactive engagement with the taxpayer	Taxpayers could present their case to both competent authority at the same time to ensure better communication between taxpayer and the tax administrations involved.	SGATAR Taskforce will issue out proposals to all members for their bilateral consideration.

b) The use of exchange of information to address tax evasion

	Recommendation by Working Group 1	Proposed follow up actions by the 2nd Expanded SGATAR Taskforce Meeting	Action Item
i.	Should give best efforts to respond to exchange of information requests in a timely manner	To organise a forum for SGATAR Members' EOI Team at least twice a year. To discuss issues, concerns and experience in handling EOI requests.	SGATAR Taskforce will contact Mr John Nash and Ms Anu Anand of IRD, New Zealand to chair the EOI Forum.
ii.	Should continue to share success stories where exchange information or common reporting standard information has help achieve the outcome	Same as item i.	Same as item i.
iii.	Should give consideration to allowing the use of information obtained through exchange of information and automatic exchange of information in court cases relating to tax	Under Article 26 of OECD Model Tax Convention, competent authorities may disclosed the information exchanged in public court proceedings or in judicial decision. To give comfort to SGATAR members on how the confidentiality of these information is protected during the process, the understanding on when, how and to whom the information can only be disclosed is important.	To approach the Global Forum on guidance as to when, how and to whom the information can only be disclosed in court proceedings.
iv.	Should continue to collaborate and share ideas and best practices on exchange of information and automatic exchange of information matters	Same as item i.	Same as item i.

c) Supporting SME compliance through digitalisation

	Recommendation by Working Group 1	Proposed follow up actions by the 2nd Expanded SGATAR Taskforce Meeting	Action Item
i.	Integrate tax activities into the natural systems of businesses	Much work is still needed in this area. Integrating tax activities into the natural systems of businesses may involve cost to the SME. Members are encouraged to share latest development on how they approach this in their tax administration.	SGATAR Taskforce will communicate with FTA-OECD on the updates of their work, related to this area.
ii.	Continue outreach and education efforts	Exchange of ideas and practices in supporting SME compliance through digitalisation.	SGATAR Taskforce is proposing to have a SGATAR Newsletter. Members can contribute to the newsletter by sharing the activities that they have conducted in supporting SMEs in their respective jurisdiction.
iii.	Leverage data to develop more proactive solutions	Some members have introduced e-Invoicing in their tax administration. Sharing of experience in this initiative is much welcome.	As part of SGATAR Taskforce initiative to gather information on members' specialised area, SGATAR Taskforce will be communicating with members to get list of initiatives that has been introduced in their jurisdiction such as whether e-Invoicing has been implemented.

6. Discussion on 2023 SGATAR Training Programme

The tables below shows the list of training programme that will be conducted this year.

NO	PROPOSED DATE	TOPIC	HOST	ACTION ITEM
1	27-29 March	Digitalisation of Tax Administration	NTA & ADB	The training has been scheduled to take place in Tokyo.
2	3rd Quarter	Transfer Pricing	Chinese Taipei	Chinese Taipei to confirm date
3	2nd – 3rd Quarter	To Be Confirmed	NTS	NTS to confirm topic and date
4	TBC	Tax Challenges Arising from Digitalisation of Economy	TBC	SGATAR Taskforce to follow up with IRAS or other members who wish to host this training program
5	TBC	Practical use of EOI/ CRS information	TBC	SGATAR Taskforce to follow up with New Zealand
7	TBC	TADAT	IRBM	SGATAR Taskforce to follow up with IMF
8	TBC	Early Tax Certainty - Pillar 1 & 2	ATO	SGATAR Taskforce to follow up with ATO

7. Discussion on SGATAR collaborations with International Organisations

International organisations present at the meeting have expressed their support to the success of the training programmes but providing resource persons when required.

8. Discussion on Global Forum & Inclusive Framework Invitation for SGATAR as an observer

	Issue	Details	Action Item
i.	Invitation by Global Forum for SGATAR to become an observer	<p>SGATAR has been invited as Global Forum observer. As an observer, SGATAR would be invited to the plenary meetings of the Global Forum and receives the documents that enable SGATAR to be kept abreast of the latest developments and trends in the work undertaking by the Global Forum.</p> <p>It is to be noted that there are no obligations that would fall on observer when joining the Global Forum.</p> <p>Having SGATAR joining the list of Global Forum Observers will be the recognition of the long-lasting co-operation that exists between the two organisations, and formalise the collaboration, particularly relevant in strengthening the Asia Initiative.</p> <p>Representative from OECD confirmed that there is no fee requirement on becoming an observer.</p>	SGATAR Taskforce recommended that SGATAR accept the invitation. Members are requested to provide confirmation.
ii.	Invitation to become an observer to Inclusive Framework	<p>Organisations with observer status have a standing invitation to attend all IF meeting</p> <p>The process is slightly lengthy as it would need to be approved through the OECD Council via its External Relations Committee. If SGATAR wishes to become an observer, a formal letter should be sent to the OECD.</p> <p>In the meantime, OECD has also recommended an ad hoc invitations be issued to SGATAR to</p>	SGATAR Taskforce noted that some members of SGATAR is already a member of Inclusive Framework. Having an ad-hoc invitation maybe sufficient. However, members are invited to provide comments.

		attend individual meetings of the IF.	
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9. Sharing of experience by Chair of Network of Tax Organisations (NTO) on Capacity Building

Mr Logan Wort, Chair of NTO provided the background of NTO and shared the activities that have benefited its members. NTO was founded in Ottawa (Canada) in 2018 and now has a network of nine regional and international tax organisations namely African Tax Administration Forum (ATAF), Association of Tax Authorities of Islamic Countries (ATAIC), Caribbean Organization of Tax Administrators (COTA), Centro Interamericano de Administraciones Tributarias (CIAT), Cercle de Reflexion et d’Echange des Dirigeants des Administrations fiscales (CREDAF), Commonwealth Association of Tax Administrators (CATA), Intra-European Organisation of Tax Administrations (IOTA), Pacific Islands Tax Administrators Association (PITAA) and West African Tax Administration Forum (WATAF; which represent over 180 national tax administrations worldwide.

Value propositions of NTO are:

- a) Develop a vibrant platform for peer exchange and collaboration of its members by ensuring a systematic and recurring review of members’ needs, coordinating study tours and staff exchanges among NTO member secretariats, creating expert working groups on priority themes and topics, and conducting technical peer learning events for tax administrations.
- b) Facilitate access to a global body of tax administration knowledge by assuring knowledge management conducting a systematic, periodical review of member offerings, and identifying opportunities to share technical knowledge resources.
- c) Develop new knowledge and learning resources for tax administrations to meet evolving member needs by developing programs on validated member priority topics.
- d) Ensure synergies/complementarity with development partners and other relevant actors in the international tax arena by surveying tax authorities on development partner support and identifying capacity building needs for further support by the NTO and/or Regional Tax Organisations (RTOs).
- e) Play an advocacy role in the international tax arena by facilitating intergovernmental and interregional discussions within the NTO on the topics of international tax dialogue and sharing information and regular updates on various international tax workstreams with its member organisations.

10. Discussion on NTO’s membership

SGATAR has received an invitation from NTO to become a member. Having heard of the activities and what NTO could offer to members, the Chair has posted a question to Mr

Logan Wort, Chair of NTO on what the expectations of NTO to SGATAR if SGATAR becomes a member.

Mr Logan Wort responded that SGATAR has a lot to offer such as expertise that other member of NTO are lacking. This includes benchmarking opportunity where SGATAR members can share with other organisation in NTO.

Chair highlighted that SGATAR would like to be seen as important partner in any membership. SGATAR Taskforce will consult members on this invitation.

Action Item: Members are invited to give comments regarding the NTO membership.

11. SGATAR Special Project 2023

The proposal by SGATAR Taskforce that four topics could be considered as SGATAR Special Project for 2023 were discussed. The four topics are Specialised Industry, Exchange of Information (EOI), Digitalisation and Pillar 1 & 2. This proposal involved assigning a member to lead each project and oversee the activities related to the topic which could include capacity building, discussion on issues and concerns, current development and exchange of experience on the topic.

However, some of the members present raised concerns on the value added of the special project to SGATAR. After much deliberations, the meeting agreed that instead of being too ambitious, SGATAR should focused as a start on just one area, which is Exchange of Information (EOI). This initiative will start with the proposed EOI Forum under item 5(b)i.

12. Updates on the discussion of SGATAR Taskforce Members during closed session

The Chair briefed the meeting participants on what have been discussed during the closed session meeting.

	Issue	Details	Action Item
i.	Updating of the SGATAR official website and the building of database for reference of SGATAR members	<p>Since 2022, Thailand has taken up the role to update the SGATAR website. There is a need to improve the resources available on the website. This is a major exercise and will need the support of all members.</p> <p>This year (2023), Korea as a new member of SGATAR Taskforce has been assigned to jointly assist Thailand to look into the work needed to improve the website.</p>	<p>i. SGATAR Taskforce will communicate with ATO in relation to the MoU with ATO, IRBM, TRD, NTS and the service provider of the SGATAR official website. This is to allow NTS Korea to have access to the website for updating purposes.</p> <p>ii. SGATAR taskforce will communicate with members with regard to the validity of their username and password</p>

		<p>One of the initiatives will be to arrange the resources on the website according to topic i.e. Transfer Pricing, Tax Treaties, Base Erosion and Profit Shifting (BEPS), Exchange of Information (EOI), Tax Collection, Tax Compliance and others.</p> <p>It is hoped that this exercise would make SGATAR website as one of the important sources of reference for members.</p>	<p>in order for them to gain access to the 'Members' Area' on the official website.</p> <p>iii. Members are requested to provide materials related to the topics which may already be made available publicly on their respective official website. This will not involve confidential information.</p> <p>iv. SGATAR Taskforce will request relevant materials from international organisations to be uploaded.</p>
ii.	To reinforce the role of SGATAR Taskforce to support members	SGATAR Taskforce could play an important role in supporting members in a bilateral corporation i.e. matching the needs of one member with the availability of expertise of another member	To gather information on members i.e. particular area of expertise which could be useful for other members.
iii.	Next Expanded SGATAR Taskforce Meeting	<p>The Expanded SGATAR Taskforce will be having a physical meeting in Thailand somewhere in June 2023.</p> <p>Prior to that there will be a virtual meeting for the SGATAR Taskforce.</p>	<p>i. Thailand will issue an official invitation to members for the next Expanded SGATAR Taskforce Meeting.</p> <p>ii. Depending on the topics of discussion for the virtual meeting (prior to the next SGATAR Taskforce Meeting), members may also be invited to join the virtual meeting.</p>

13. SGATAR Annual Work Programme 2023 – Thailand

Thailand provided updates on the progress of their work in updating the website. This is their annual work programme since 2022. This work programme will continue in 2023. Much work still need to be done as discussed in item 12(i). Thailand hoped that with the support and cooperation from Malaysia, Korea and all SGATAR members, much progress in updating the SGATAR website will be achieved before the 52nd SGATAR Annual Meeting.

14. Discussion on 52nd SGATAR Annual Meeting – Thailand

Thailand provided an update on their preparation for hosting the 52nd SGATAR Annual Meeting. The annual meeting will be held from 30 October to 3 November 2023 at Le Meridian Hotel, Karon Beach, Phuket, Thailand. A timeline has been drawn with regard to the preparation for hosting the annual meeting.

Thailand has suggested the Working Group Topics and members who will take up the Chair and Rapporteur role as follows:

Working Group (WG)	Topic	Chair	Rapporteur	Action Item
WG1	Transfer Pricing	Japan	Malaysia	Members to confirm
WG2	Digital Tax Administration	China	Singapore	Members to confirm
WG3	CbCR Data for High Level Risk Assessment	TBC	Australia	Members are invited to indicate their willingness to Chair the WG3.

Proposed topics for HOD:

	Topic	HOD Presenting	Action Item
i	Implementing of Pillar1 and Pillar 2	TBC	Members are requested to indicate which topic they would like to present
ii	Domestic Resource Mobilization (DRM) and International Tax Cooperation (ITC)	TBC	
iii	Recent Development in the Tax Administration/Update on Tax reform	TBC	

15. Discussion on SGATAR Newsletters

	Issue	Details	Action Item
i.	Publication of SGATAR Newsletter	<p>SGATAR Taskforce suggested to publish a SGATAR Newsletter. This will provide an opportunity for members to update on current development and recent initiatives i.e. policy changes, new guidelines or latest news on what is happening in the jurisdiction.</p> <p>The newsletter will be publish three times a year (every four month). The first edition will be in April 2023.</p>	SGATAR members are requested to provide materials for publication to SGATAR Taskforce. This could include pictorials and write-ups.

16. Discussion on study visits of SGATAR Members

	Issue	Details	Action Item
i.	Study visit by SGATAR members	<p>The SGATAR Taskforce proposed to identify a common topic of interest for members to have a study or benchmarking visit with other international organisation members (i.e. member of; CATA, CIAT, ATAF or other members of NTO).</p> <p>One of the suggestion is to start by distributing a questionnaire to SGATAR members to find out the common interest of SGATAR members.</p>	SGATAR Taskforce will distribute a questionnaire to SGATAR members

17. Closing Remarks

The Chair thanked all SGATAR members present and the strong continued support from the international organisations. The active participation of all participants have contributed to the success of the meeting.