



The Belt and Road Initiative Tax Administration Cooperation Mechanism

Recent Progress of the BRITACOM and the Priorities for the Next Phase

Dear colleagues,

Greetings and compliments from the Secretariat of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM).

Time flies so fast, more than 2 months have passed since we met in Wuzhen, China for the First Conference of the Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF). During the past 2 months, the Secretariat operated smoothly and made some progress with the guidance of the *Wuzhen Action Plan (2019-2021)*. With this email, we would be very glad to update you on the recent progress of the BRITACOM and list the priorities for the next phase.

I. Update of the Progress

1. New applications to join the BRITACOM

Following the First Conference of the BRITACOF, some tax administrations (TAs) have expressed their willingness to join the BRITACOM. The Secretariat makes further communication with the potential Member/Observer TAs to clarify the relevant procedures of joining the BRITACOM. Up to now, the Federal Board of Revenue, Pakistan sent us the written request to apply to be a Member of the BRITACOM. The Federal Ministry of Finance of Germany, the Ecuadorian Tax Administration and the Internal Revenue Department of Myanmar sent us the written request to apply to be an Observer of the BRITACOM. The competent tax authorities of Bolivia, Spanish, Egypt, Azerbaijan, Liechtenstein, Ethiopia and Laos as well as The International Chamber of Commerce also expressed their willingness to join the BRITACOM.

Meanwhile, the Italian Revenue Agency has recommended Prof. Guglielmo Maisto, a very well-known tax expert, to join the Advisory Board, which will be officially submitted to the next Council Meeting for consideration.

2. Progress of the Belt and Road Initiative Tax Administration Capacity Enhancement Group (BRITACEG)

The BRITACEG office has been established under the Secretariat. With the guidance of Mr. Anatoliy Aleksandrov, director of the BRITACEG, three training sessions have been held at the BRITA Yangzhou since the close of the BRITACOF, which were strongly supported by Members and Observers. Upon the invitation by the BRITACEG, nearly 60 officials from more than 20 jurisdictions have participated in these training sessions including Afghanistan, Algeria, Bangladesh, Cambodia, Democratic Republic of the Congo, Georgia, Kazakhstan, Mongolia, Nepal, Senegal, Sierra Leone, Somalia, Suriname, Tajikistan and Ukraine etc, and positive feedback has been received from the participants.

3. Set up of task forces

According to Part G of the *Wuzhen Action Plan (2019-2021)*, five task forces should be set up by the end of June, 2019 to implement the action plans. So far most Members and Observers have chosen to join at least one task force and appointed fixed contact person to each. Based on the feedback from Members and Observers, we have sorted out the grouping situation of each task force as the following table:

Task Force	Members	Observers
Raising tax certainty	Macao China, Uruguay, Sierra Leone, Cambodia, Suriname, Indonesia, Democratic Republic of the Congo, Algeria, P.R. China.	Qatar, ITIC(International Tax and Investment Center), BIAC(The Business and Industry Advisory Committee at OECD).
Expediting tax dispute resolution	Hong Kong China, Mongolia, Senegal, Kuwait, Rwanda, Indonesia, Democratic Republic of the Congo, Algeria, P.R. China.	New Zealand, Singapore, Qatar, Saudi Arabia, BIAC(The Business and Industry Advisory Committee at OECD).

<p>Enhancing tax administration capacity</p>	<p>Sudan, Uruguay, Cambodia, Afghanistan, Mongolia, Angola, Tajikistan, Bangladesh, Democratic Republic of the Congo, Nigeria, Gabon, Samoa, Algeria, South Sudan, P.R. China.</p>	<p>Ukraine, Armenia, Qatar, CIAT(Inter-American Centre of Tax Administrations), ITIC(International Tax and Investment Center), WATAF(West African Tax Administration Forum), IBFD(International Bureau of Fiscal Documentation).</p>
<p>Streamlining tax compliance</p>	<p>Georgia Serbia, Cambodia, Slovakia, Gambia, Somalia, Democratic Republic of the Congo, Samoa, Algeria, P.R. China.</p>	<p>Armenia, Iran (Islamic Republic of), Qatar.</p>
<p>Digitalizing tax administration</p>	<p>Kazakhstan, Sudan, Sierra Leone, Cambodia, Senegal, Somalia, Bangladesh, The United Arab Emirates, Rwanda, Indonesia, Democratic Republic of the Congo, Algeria, Nepal, P.R. China.</p>	<p>Kazakhstan, Sudan, Sierra Leone, Cambodia, Senegal, Somalia, Bangladesh, The United Arab Emirates, Rwanda, Indonesia, Democratic Republic of the Congo, Algeria, Nepal, P.R. China.</p>

4. Preparation for the Second Conference of the BRITACOF

Mr. Liao Tizhong, Executive Secretary of the BRITACOM visited Kazakhstan in May. Mr. Liao Tizhong and Mr. Yermek Kozhabergenov, deputy Executive Secretary of the BRITACOM, discussed the agenda setting and other preparatory work of the Second Conference of the BRITACOF that will be held next year in Nursultan with focus on Digitalization of Tax Administration. Also,

According to Article 19.2 of the Memorandum of Understanding on the Establishment of the Belt and Road Initiative Tax Administration Cooperation Mechanism (MoU), the Business and Industry Tax Dialogue will be established under the framework of the BRITACOM, and be incorporated into the agenda of the Second Conference of BRITACOF for businesses and other stakeholders to communicate on tax matters and voice their suggestions and concerns.

5. The launch of the BRITACOM website

The website of the BRITACOM (http://www.chinatax.gov.cn/eng/britacom_index.html) is open for use since May 10, 2019 with related documents and latest news available thereon. We will enrich the content of the website to serve all participants of the BRITACOM and expand the influence of the BRITACOM.

6. The operation of the Secretariat

Currently, 8 staff from the state Taxation Administration of P.R.China (STA), have been second to the Secretariat to assist Executive Secretary in his daily work. In addition to assisting in the completion of the work listed above, the Secretariat also attended the 53rd CIAT General Assembly Events, on behalf of the BRITACOM, and held talks with Mr. Christian Daniel Kaeser, Chair of the ICC Commission on Taxation to disseminate the BRITACOM and seek more opportunities for cooperation with international organizations.

Staff from Member or Observer TAs are warmly welcomed to join us. So far, some of the Members and Observers have expressed their intention to second their staff to the Secretariat to work on site in China or online outside China.

II. Priorities for the next phase

1. Recent operation of task forces

According to Section G of the *Wuzhen Action Plan (2019-2021)*, each task force should develop its work plan and submit it to the Secretariat before 1 November 2019. An interim report assessing the first-year implementation of the Action plan should be drafted and submitted to the BRITACOF Conference in 2020. Therefore, it is essential for each task force to develop its work plan as early as possible. Task forces' members are requested to make your own work plan for the task forces that you chose. We will discuss and make the final work and implementation plans according to the work plans submitted by each task forces' member. To ensure the smooth operation of task forces, we propose the following requirements:

- a. Each task force will select one Chair who will be responsible for coordinating, organizing and overseeing the development and implementation of the Action Plan with the help of the Secretariat. Task forces' members who want to recommend yourself to be Chair are well

encouraged to contact us by email before 1 August 2019.

- b. Task forces' members should make and submit your own work plan to the Secretariat to express your ideas and suggestions about specific steps or detailed measures to reach our goals of each task force that set out in the *Wuzhen Action Plan (2019-2021)*. It would be highly appreciated if you could submit your work plan before 15 August 2019.

2. Strengthen the BRITACEG building

- a. Carry on with training sessions

Considering the pressing need for tax administration capacity building amongst BRI jurisdictions, we will prioritize our work in this area and continue to provide training sessions to upgrade the capacity of tax administrations to deal with the complex international tax issues that arise in the BRI jurisdictions. More training sessions open to Members and Observers of the BRITACOM will be held this year by STA. We will send out training invitation in time and look forward to your positive participation.

- b. Establish new BRITAs

The network of BRITAs will provide a solid base to train our tax officials in a multilateral environment and a platform for officials from different TAs to share views and exchange ideas in a bid to seek solutions to the common issues that work in the environment of the BRI jurisdictions. Therefore, we encourage and expect more TAs to take the initiative to set up new academies. Should you have the intention to establish a new BRITA, please feel free to contact the Secretariat.

3. Priorities of the Secretariat

- a. Enhance the construction of the BRITACOM website

We will continue to build the BRITACOM official website into a knowledge-sharing platform, which will ensure more and more tax officials from Member TAs and Observers get high-quality training resources and jointly enhance tax administration capacity.

In order to further enrich the content of the website, each Member and Observer will be appreciated if you could provide us with your official website link, introduction of your esteemed competent tax authority and official logo before 1 August 2019.

- b. Formulate the Annexes to the MoU

We will organizing the drafting work of Annexes to the MoU, including Explanatory Document of the Secretariat, BRITACOF and BRITACEG, which need strong support from Members, Observers

and advisors.

The above is the summary of our work for the time-being and the priorities of the next stage, we believe that with the joint effort of all parties, we will successfully achieve our goals of building a growth-friendly tax environment.

With kind regards,

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