

Wuzhen Statement

The First Conference of the Belt and Road Initiative Tax Administration Cooperation Forum

Wuzhen, China

April 18-20, 2019

1. Heads and their representatives of tax administrations or finance departments from 85 jurisdictions, 16 international organizations, and a number of academic institutions and businesses met in Wuzhen during 18-20 of April, 2019 for the first Conference of the Belt and Road Initiative Tax Administration Cooperation Forum (hereinafter referred to as “BRITACOF”), organized with the support and under the Presidency of the State Taxation Administration of the People’s Republic of China (hereinafter referred to as “STA”), and attended by more than 350 delegates from the Belt and Road Initiative Tax Administration Cooperation Mechanism (hereinafter referred to as “BRITACOM”) participating tax administrations (hereinafter referred to as “TAs”), the International Monetary Fund, the Center for Tax Policy and Administration from the Organization for Economic Co-operation and Development, the United Nations, the World Bank Group, and representatives of other international organizations. The discussions, enriched by the engagement with stakeholders, focused on how to build a growth-friendly tax environment that would promote economic

growth while ensuring tax revenue mobilization in jurisdictions that support the Belt and Road Initiative (hereinafter referred to as the “BRI”). Agreed to by all the BRITACOM Member TAs and the Belt and Road Initiative Tax Administration Capacity Enhancement Group (hereinafter referred to as “BRITACEG”) Members, this statement is the outcome from the 3 days of discussions and is issued under the responsibility of the Chair of the BRITACOF Conference for the BRITACOM Member TAs and the BRITACEG Members.

2. We, the BRITACOM Member TAs and the BRITACEG Members, met at a time when the world economy is undergoing profound changes, presenting both opportunities and challenges. We welcome the modest global economic growth while recognizing that it has been increasingly less synchronized between countries and some of the major risks have partially materialized.

3. Although the concept of comparative advantage is still as relevant as it was 200 years ago, we are mindful that the world production has been structured into global value chains, bringing about dramatic changes to the world production landscape and further accelerating the economic globalization process.

4. We reaffirm our stand on supporting multilateralism and making economic

globalization more open, inclusive, and balanced so that its benefits are shared by all. Economic globalization, liberalization and facilitation of trade and investment have promoted competition and innovation, which are beneficial for world peace, stability as well as balanced and sustainable development.

5. Recognizing that tax cooperation plays an important role in materializing the above-mentioned values and rationale as well as in facilitating the BRI economic development, and building on the consensus embodied in the Astana Proposal released in the Belt and Road Initiative Tax Cooperation Conference during May 14-16, 2018 we officially launch the BRITACOM by signing the Memorandum of Understanding on the Establishment of the BRITACOM (hereinafter referred to as “MoU”). The BRITACOM consists of the Council, the Secretariat, the BRITACOF, the BRITACEG and the Advisory Board.

6. The BRITACOM aims to facilitate tax administration cooperation and promote sharing of experience and best practices in tax administration so that the BRITACOM contributes towards building a growth-friendly tax environment. The BRITACOM supports and reinforces prevailing international tax standards such as the OECD and UN Model Tax Conventions on Income and on Capital, the OECD Transfer Pricing

Guidelines, the UN Transfer Pricing Manual, the Inclusive Framework on Base Erosion and Profit Shifting and the Global Forum on Transparency and Exchange of Information.

7. To the date this Statement is released, 34 tax administrations or finance departments have signed up to be the Member TAs of the BRITACOM Council, 22 tax administrations or finance departments and international organizations have signed up to be the Observers, 19 tax administrations or finance departments have signed up to be the BRITACEG Members, and 14 tax administrations or finance departments, international organizations and academic institutions have signed up to be the BRITACEG Partners. In addition, 11 world-recognized tax experts have signed up to be the Members of the Advisory Board. Annex 1 provides a list of the BRITACOM Council Members and Observers.

8. The Council is the decision-making body of the BRITACOM. In accordance with the MoU, Mr. WANG Jun, Commissioner of the STA, the People's Republic of China, was appointed as Chair of the Council. To assist Mr. WANG Jun in fulfilling the vision and purpose of the BRITACOM, Mr. Marat Sultangazyev, Chairman of the State Revenues Committee of the Ministry of Finance, the Republic of Kazakhstan; Ms. Tuma Adama Jabbi, Chairperson of the National Revenue Authority, the Republic of Sierra Leone; Mr. Khalid Ali Albustani, Director General of the Federal Tax Authority, the United Arab Emirates; and Mr. Joaquin Serra, Director General of the Dirección General Impositiva, the Oriental Republic of Uruguay, were elected as Vice-Chairs of the Council.

9. The Secretariat is a liaison office supporting the daily operation of the BRITACOM. We thank the People's Republic of China for hosting the Secretariat in its capital city, Beijing. In accordance with the MoU, Mr. LIAO Tizhong, Director-General of the International Taxation Department of the STA, the People's Republic of China, and Mr. Yermek Kozhabergenov, Head of the International Relations Division, the State Revenues Committee of the Ministry of Finance, the Republic of Kazakhstan, were appointed as Executive Secretary and Deputy Executive Secretary of the Secretariat respectively.

10. The BRITACOF is a non-profit official event authorized by the Council. We thank the STA for hosting the first BRITACOF Conference. The second BRITACOF Conference will be held in Kazakhstan in 2020. Starting from 2021, the BRITACOF Conferences will be hosted by Member TAs in rotation following the alphabetical order of their home jurisdictions.

11. The BRITACEG is a network composed of willing Member TAs or Observers of the Council who, making full use of their existing training institutions or expertise, are dedicated to conducting tax-related training, research and technical assistance programs approved by the Council. Annex 2 provides the list of the BRITACEG Members and Partners. In accordance with the MoU, Mr. Anatoliy Aleksandrov, Director of the Strategic Development and International Cooperation Department, the State Fiscal Service of Ukraine, was appointed as Director of the BRITACEG. The

Council also approved 4 BRI tax academies (hereinafter referred to as the “BRITAs”) to be set up in different regions, open to all the Member TAs and Observers for the above-mentioned purposes. We thank Kazakhstan, the Macau Special Administrative Region of China and the mainland of China for setting up BRITAs based on their existing tax institutions, and encourage more jurisdictions to set up BRITAs.

12. We recognize that the BRITACOM is an open, transparent, inclusive and sustainable administrative mechanism that is jointly built through consultation to meet the interests of the jurisdictions supporting the BRI. In light of this, we welcome interested parties to join the BRITACOM and the BRITACEG following this BRITACOF Conference by completing the procedures stipulated in the MoU.

13. We call on Member TAs and BRITACEG Members to take concrete actions in the following areas, taking into consideration our national laws and regulations, and reinforcing and supporting international obligations and standards, so as to build a growth-friendly tax environment:

Following rule of law in taxation

14. A growth-friendly tax environment must be shored up by robust tax administration. We reiterate the essential role of the rule of law principle in

underpinning the fairness and impartiality of tax administration.

15. To this end, we will respect the spirit and letter of law in taxation, and expect that taxpayers will make a similar commitment. We reaffirm our commitment to ensuring the tax system is administered fairly, transparently and with consistency.

16. We are determined to apply the laws and the tax treaties in a fair, predictable and consistent fashion.

17. We recognize that the accessibility and the efficiency of a domestic tax dispute prevention and resolution regime are crucial to build investors' trust in the fairness of the taxation system. We support continuing efforts by BRITACOM Member TAs in building fair, coherent and efficient domestic tax dispute prevention and resolution mechanisms.

Raising tax certainty

18. Economic growth depends in part on the growth in cross-border trade and investment, which requires high level of tax certainty.

19. We reaffirm our commitment to offering support to taxpayers in order to improve tax certainty by enhancing the transparency and predictability of tax

laws in order to build mutual trust between taxpayers and tax administrations.

20. We highlight the importance of minimizing tax uncertainty by avoiding discretion as well as increasing consistency and transparency of tax administration.

21. We call on BRITACOM Member TAs to enhance dialogue with taxpayers by exploring cooperative compliance approaches, providing guidance to taxpayers concerning the interpretation and application of the law, making use of advanced rulings, and enhancing cooperation between BRITACOM Member TAs.

Expediting tax dispute resolution

22. We recognize the importance for BRI jurisdictions to minimize and resolve cross-border tax disputes in a timely and principled manner in order to better protect the legitimate rights of taxpayers on one hand, and to secure domestic tax base on the other.

23. We call on BRITACOM Member TAs to respect and comply with international standards, particularly those relating to Base Erosion and Profit Shifting and to Transparency and Exchange of Information for Tax Purposes, as well as those in tax treaties signed by their governments.

24. We encourage BRITACOM Member TAs to dedicate resources to relevant parts of their administrations dealing with dispute resolution procedures.

25. We will intensify the collaboration between BRITACOM Member TAs to improve dispute resolution mechanisms and explore the potential of alternative dispute resolution procedures adaptable to the needs and circumstances of their home jurisdictions.

Streamlining tax compliance and digitalizing tax administration

26. Streamlined tax administration facilitated by digital technology helps to achieve the overarching objective of tax administrations to raise sufficient funds to finance public spending while responding to public demand for cost-effective and time-efficient services.

27. We encourage BRITACOM Member TAs to streamline tax administration procedures, taking into account country-specific conditions. In light of this, we believe that efforts should be made in enhancing tax administration cooperation, improving taxpayer service, protecting taxpayers' legitimate rights, and avoiding arbitrary decisions on taxpayers' compliance status.

28. We reaffirm our commitment to maximizing the benefits of emerging technologies by adopting a long-term strategy to digitalizing tax administration, improving digital infrastructure within tax administrations and working to build improved taxpayer trust, privacy and data protection.

Enhancing tax administration capacity

29. We note the pressing need for tax administration capacity building amongst BRI jurisdictions. We will prioritize our work in this area and support increasing efforts by international organizations, in particular, the Platform for Collaboration on Tax, in assisting BRI jurisdictions to accomplish the objectives of the *UN 2030 Agenda for Sustainable Development* and the *Addis Ababa Action Agenda*.

30. We will fulfill our collective commitment to establishing an inclusive and sustainable capacity building platform by promoting training, conducting research as well as sharing knowledge products and best practices of Member TAs and BRITACEG Members, particularly in the areas of following rule of law, raising tax certainty, expediting tax dispute resolution, streamlining tax compliance and digitalizing tax administration.

31. We will align our capacity building activities with other initiatives run by international organizations in an effort to avoid duplication and deliver the

BRI tax administration capacity building initiatives in a coordinated, cost-effective and sustainable manner, which is tailored to the real needs of emerging and developing economies.

Future Actions

32. We reaffirm that the BRITACOM's founding spirit is to bring together the BRI tax administrations on an equal footing to catalyze actions. Once we agree, we will deliver. To guide our work in light of this spirit, we are committed to developing action plans which will be approved by the Council every two years so as to achieve tangible accomplishments. We adopt the Wuzhen Action Plan (2019-2021), and will brief on it at the Second Belt and Road Forum for International Cooperation which will be held during 25-27 April, 2019, in Beijing. Annex 3 provides the Wuzhen Action Plan (2019-2021).

33. We thank China for its BRITACOF Presidency and its successful hosting of the first BRITACOF Conference. We look forward to our next Conference in Kazakhstan in 2020.

Annexes:

1. List of BRITACOM Council Members and Observers
2. List of BRITACEG Members and Partners
3. Wuzhen Action Plan (2019-2021)

Council Members of the BRITACOM

No.	Jurisdiction	Organization
1	Afghanistan	Ministry of Finance
2	Algeria	Algerian Tax Authority
3	Angola	Angola Revenue Administration (AGT) General Tax Administration
4	Bangladesh	National Board of Revenue
5	Cambodia	The General Department of Taxation
6	Cameroon	Directorate General of Taxation
7	China	State Taxation Administration
8	Democratic Republic of the Congo	DIRECTION GÉNÉRALE DES IMPÔTS (DGI)
9	Djibouti	Ministry of Budget
10	Gabon	General Management of Taxes
11	Gambia	The Gambia Revenue Authority (GRA)
12	Georgia	Revenue Service of Georgia
13	Hong Kong China	Inland Revenue Department
14	Indonesia	Directorate General of Taxes, Ministry of Finance
15	Kazakhstan	State Revenues Committee of the Ministry of Finance of the Republic of Kazakhstan
16	Kuwait	Ministry of Finance
17	Macao China	Financial Services Bureau
18	Mongolia	General Department of Taxation

No.	Jurisdiction	Organization
19	Nepal	Inland Revenue Department
20	Nigeria	FIRS
21	Papua New Guinea	Internal Revenue Commission of PNG
22	Rwanda	Rwanda Revenue Authority
23	Samoa	Ministry for Revenue
24	Senegal	DIRECTION GENERALE DES IMPOTS ET DES DOMAINES
25	Serbia	Tax Administration
26	Sierra Leone	National Revenue Authority
27	Slovakia	Financial Administration of the Slovak Republic
28	Somalia	Ministry of finance federal Government of Somalia
29	South Sudan	Ministry of Finance and Economic Planning
30	Sudan	Taxation Chamber
31	Suriname	Tax Office Suriname
32	Tajikistan	Tax committee under the Government of the Republic of Tajikistan
33	The United Arab Emirates	Federal Tax Authority
34	Uruguay	Dirección General Impositiva

Observers of the BRITACOM

No.	Jurisdiction/Institution/ International Organization	Organization
1	Armenia	State Revenue Committee
2	Côte D'Ivoire	GENERAL DIRECTORATE OF TAXES
3	Cyprus	Cyprus Tax Department
4	Greece	Independent Authority for Public Revenue
5	Hungary	National Tax and Customs Administration
6	Iran (Islamic Republic of)	Iranian National Tax Administration
7	Italy	Agenzia delle entrate (Italian Revenue Agency)
8	Morocco	the General Tax Administration
9	New Zealand	Inland Revenue
10	Peru	National Superintendency of Customs and Tax Administration
11	Qatar	General Tax Authority
12	Republic of Korea	National Tax Service
13	Saudi Arabia	General Authority of Zakat and Tax (GAZT) of Saudi Arabia
14	Singapore	IRAS
15	Timor-Leste	Tax Authority
16	Ukraine	State Fiscal Service of Ukraine
17	International Organization	Asia Oceania Tax Consultants' Association
18	International Organization	Inter-American Centre of Tax Administrations

19	International Organization	International Tax and Investment Center
20	International Organization	The Business and Industry Advisory Committee at OECD
21	International Organization	West African Tax Administration Forum
22	Institution	International Bureau of Fiscal Documentation

Members of the BRITACEG

N0.	Jurisdiction	Name of Organization
1	Afghanistan	Ministry of Finance
2	Bangladesh	National Board of Revenue
3	Cambodia	The General Department of Taxation
4	Cameroon	Directorate General of Taxation
5	China	State Taxation Administration
6	Djibouti	Ministry of Budget
7	Gabon	General Management of Taxes
8	Georgia	Revenue Service of Georgia
9	Kazakhstan	State Revenues Committee of the Ministry of Finance of the Republic of Kazakhstan
10	Kuwait	Ministry of Finance
11	Macao China	Financial Services Bureau
12	Mongolia	General Department of Taxation
13	Nigeria	FIRS
14	Rwanda	Rwanda Revenue Authority
15	Saudi Arabia	General Authority of Zakat and Tax (GAZT) of Saudi Arabia
16	Senegal	DIRECTION GENERALE DES IMPOTS ET DES DOMAINES
17	Somalia	Ministry of Finance

18	Ukraine	State Fiscal Service of Ukraine
19	Uruguay	Dirección General Impositiva

Partners of the BRITACEG

NO.	Jurisdiction/ International Organization	Name of Organization
1	Angola	Angola Revenue Administration (AGT) General Tax Administration
2	Armenia	State Revenue Committee
3	Cyprus	Cyprus Tax Department
4	Indonesia	Directorate General of Taxes, Ministry of Finance
5	Iran (Islamic Republic of)	Iranian National Tax Administration
6	Singapore	IRAS
7	South Sudan	Ministry of Finance and Economic Planning
8	Tajikistan	Tax policy of the Ministry of Finance
9	International Organization	African Tax Administration Forum
10	International Organization	China Chamber of International Commerce
11	International Organization	Inter-American Centre of Tax Administrations
12	Institution	International Bureau of Fiscal Documentation
13	Institution	International Tax Center Leiden
14	Institution	WU Global Tax Policy Centre , Institute of Austrian and International Tax Law, Vienna University of Business and Economics

Wuzhen Action Plan (2019-2021)
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To implement the outcomes of the first Belt and Road Initiative Tax Administration Cooperation Forum (hereinafter referred to as “BRITACOF”) and to chart the course of the Belt and Road Initiative (hereinafter referred to as “BRI”) friendly and mutually beneficial cooperation on tax administration in the next two years under the theme of “Building a Growth-Friendly Tax Environment”, we jointly formulate and adopt by consensus this Action Plan to be implemented in the years from the end of the first BRITACOF Conference to the beginning of the 3rd BRITACOF Conference.

A. Furthering the BRITACOF-related work

1. We will hold the BRITACOF Conference annually to provide a permanent platform for dialogue amongst the Belt and Road Initiative Tax Administration Cooperation Mechanism (hereinafter referred to as “BRITACOM”) Member tax administrations (hereinafter referred to as

“Member TAs”), Observers and other stakeholders. This forum will enable the dissemination of good practices, identify emerging issues that require joint actions and seek for innovative solutions through tax administration cooperation.

2. The Business and Industry Tax Dialogue will be established and will be held annually back to back with the BRITACOF Conferences to raise tax-related issues and suggestions from businesses on good practices in tax administrations, and help the Member TAs to understand current and emerging business models and the underlying commercial rationale of business transactions.

B. Following rule of law and raising tax certainty

3. We will build the BRITACOM official website into a knowledge-sharing platform to inform investors of the interpretation and application of tax laws.

4. We will conduct research on tax certainty to identify problems, seek for solutions, increase predictability and consistency in the application of tax laws and tax treaties, as well as in tax administration practices.

5. We will provide taxpayers with regular training programs when new tax laws take effect so as to ensure that the taxpayers are well-attuned to the new tax

environment.

C. Expediting tax dispute resolution

6. We will endeavor to provide taxpayers with good access to dispute resolution mechanisms including administrative reconsideration of assessments, legal remedies, mutual agreement procedure (hereinafter referred to as “MAP”) as provided for by tax treaties and other necessary complementary remedies.

7. We will conduct a survey to better understand cross-border tax disputes in the BRI jurisdictions by collecting further information on the types and causes of disputes; taking stock of the current procedures to resolve BRI tax disputes and recognizing the benefits and main deficiencies therein; and identifying good practices in BRI jurisdictions.

8. Recognizing the resource and constraints faced by tax administrations, we wish to consider a staged approach for minimizing and resolving tax disputes.

The following are the actions to take in the coming two years.

- Establishing clear internal tax administrative procedures to ensure that there are clear and consistent interpretations of laws and regulations.
- Strengthening MAP functions with dedicated personnel;

- Drawing up a list of MAP contact points in the BRI tax administrations and publishing it on the BRITACOM website;
- Ensuring taxpayer's accessibility to MAP;
- Extending tax treaty networks;
- Holding workshops to facilitate the negotiation and interpretation of tax treaties;
- Adapting MAP and improving relevant procedures to the situations found in the BRI jurisdictions; and
- Endorsing the minimum standards proposed under the Base Erosion and Profit Shifting (hereinafter referred to as "BEPS") Action 14.

D. Enhancing tax administration capacity

9. To upgrade the capacity of tax administrations to deal with the complex international tax issues that arise in the BRI jurisdictions, we have created a network of training institutions that spread throughout the BRI region. We welcome the creation of the BRI Tax Academies (hereinafter referred to as "BRITAs") in Kazakhstan, Macau SAR and the mainland of China and look forward to more jurisdictions offering to create similar academies. This network of BRITAs will provide a solid base to train our tax officials in a multilateral environment including, where appropriate, allowing the participation of businesses.

10. We will conduct a survey to identify the areas for building capacity and work out a short-term plan and a long-term blueprint for capacity building by taking into full consideration the needs of the tax administrations of the BRI

jurisdictions and the on-going work of international and regional organizations.

11. We will make good use of the Belt and Road Initiative Tax Capacity Enhancement Group (hereinafter referred to as the “BRITACEG”) as a platform for capacity building. A number of face-to-face instructor-led training programs will be provided by the BRITAs and other training institutions of Member or Observer TAs. Each BRITA will organize at least 2 seminars or similar activities each year under the coordination of the BRITACEG Director and the Secretariat. The BRITAs in the mainland of China will organize 12 training programs each year focusing on the major tax topics of common concern.

12. We will hold seminars, workshops and other forms of discussion and learning activities 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.

E. Streamlining tax compliance

13. We will start examining the current requirements for taxpayers to provide tax-related information and documentation with the aim to reduce unnecessary information reporting and documentation requirements in the long run.

14. We will endeavor to satisfy taxpayer requests for assistance including helping them understand their rights and obligations. Where any errors in the

administration of taxpayers' affairs are made, we will correct them as soon as possible.

15. We will protect the confidentiality of information obtained from taxpayers, establish procedures to mitigate potential privacy risks and share information with third parties only as permitted by law.

F. Digitalizing tax administration

16. We will conduct surveys among the Member TAs on (i) the current stage of digitalization in the BRITACOM member jurisdictions; (ii) identifying legal, administrative and cultural barriers to tap the full potential of new technologies to reduce compliance and administration costs and (iii) the potential for further actions.

17. We will endeavor to design and improve digitalization strategies and approaches on the basis of our own needs and in dialogue with businesses.

18. We will examine the feasibility of carrying out pilot projects for digitalization taking into consideration our specific and most pressing needs.

19. We will assist each other in upgrading information systems and training staff.

G. Implementation framework

20. It is critical that a robust framework is adopted to make sure that the Action Plan is accomplished in an inclusive and effective manner, taking into account the perspective of all BRI jurisdictions and the benefits for stakeholders at large. To this end, five task forces will be established to examine the implementation of the action plans set forth herein, namely, (i) raising tax certainty; (ii) expediting tax dispute resolution; (iii) enhancing tax administration capacity; (iv) streamlining tax compliance; and (v) digitalizing tax administration.

In order to ensure the inclusiveness and representation on the task forces, each Member TA will join one or more task forces. Observers are strongly encouraged to further their engagement through participation in one or more task forces. The task forces will also draw upon the expertise of the BRITACOM Advisory Board, of well-established research institutes around the world and of international organizations.

The task forces will meet both virtually and physically over the next two years and will work closely with businesses. Each task force will have one Chair from Member TAs who will be responsible for coordinating, organizing and overseeing the implementation of the Action Plan with the help of the Secretariat. For that purpose, Member TAs are requested to second qualified staff to work in the Secretariat to ensure that the Secretariat has adequate staff to provide necessary assistance. Observers are encouraged to second staff too.

The above-mentioned task forces will be set up by the end of June 2019. 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. The final report describing and measuring the full implementation of the Action Plan should be drafted and submitted to the BRITACOF Conference in 2021.