

## FORUM ON TAX ADMINISTRATION

16-17 May 2013  
Moscow, Russian Federation

### FINAL COMMUNIQUE

We, the heads of tax administrations from 45 economies, have come together here in Moscow for the 8<sup>th</sup> meeting of the Forum on Tax Administration. We meet at a time when our Governments continue to face significant challenges in overcoming the impact of the global financial crisis. We are dedicated to securing high levels of voluntary tax compliance by providing excellent service and effectively addressing tax evasion and aggressive tax avoidance in all its forms, including the underground economy. These are key elements in managing and responding to the effects of the crisis. As heads of tax administration, we are committed to co-ordinated action and united in our resolve and determination to improve the effectiveness of our tax administrations, tackle trans-national tax fraud, tax evasion and aggressive tax planning.

Our discussion included engagement with business leaders and we are very grateful for the contribution they made to our meeting.

#### **Offshore evasion**

As tax administrators, where we detect offshore evasion we share the information with our partners. We have developed tools to improve the gathering of information on cross-border financial transfers, to decode banking transactions and to identify the beneficial owners of complex structures. Three of our members (Australia, United Kingdom, United States) have obtained a very significant amount of data, revealing complex offshore structures and will now use this data to share information relevant to other members. Given the magnitude and complexity of the data we will work together to analyse it.

We strongly encourage closer inter-agency co-operation in the fight against tax crimes and in that regard, we have identified particular synergies, in combating tax and customs evasion and avoidance, that we will fully exploit.

We noted that several of our members have called on the International Consortium of Investigative Journalists to share the data they have acquired about offshore evasion. We would encourage any party that holds such information to share it with the relevant tax authorities, redacted if necessary to protect their sources.

The message to tax evaders and those who facilitate tax evasion is simple: however hard you try to hide, we will find you.

#### **Increasing transparency and exchange of information**

We want increased transparency and comprehensive exchange of information. We will rapidly increase the use of the provisions of the greatly expanded network of agreements allowing for exchange of information, including by providing necessary training to tax auditors, and we will ensure effective and secure use of information

received under those agreements. In addition, we welcome the growing focus on automatic exchange of information and strongly endorse the G20 call urging all jurisdictions to move towards exchanging information automatically, which is expected to be the standard; and to do so with their treaty partners as appropriate.

### **Base Erosion & Profit Shifting**

We welcome the OECD's work on Base Erosion and Profit Shifting (BEPS) that will shortly propose a comprehensive action plan intended to modernise international tax instruments and standards to respond effectively to, and counter, BEPS, notably in the areas of international taxation, transfer pricing and the digital economy, in an effective and appropriate manner. We stand ready to ensure that any new instruments and standards are applied to maximum effect to eliminate double non-taxation. We will draw on the work of the OECD in the area of aggressive tax planning and its directory of schemes to improve compliance.

### **Increasing trust and confidence in business taxation**

We have developed a framework of co-operative compliance for the large business segment that provides a sustainable basis for a relationship based on transparency, justified trust and confidence between tax administrations and business. We will continue to refine this framework, also working with the business community, and recommend all countries to adopt it.

Recognising the different needs of Small and Medium Enterprises (SMEs), we have adapted the model of co-operative compliance to meet their needs, in particular by involving them in the design of the tax compliance process. We encourage all countries to embrace this model.

We will ensure that the way we administer tax treaties in practice is effective in eliminating double taxation and we have established a mechanism to ensure this happens through a new FTA sub-group of competent authorities, tasked with developing and implementing necessary improvements.

### **Improving our efficiency, effectiveness and service delivery**

Our administrations must maximise their efficiency and offer citizens and businesses quality service and support for voluntary compliance. What we do and how we do it is very important. We will continue to support, value and foster innovation in tax administration as a key means to achieve our common goal of improved outcomes at lower cost. Effective management of tax debts, including tax debts that arise cross-border, is a key priority and will be a particular focus of attention.

We would like to thank the President of the Russian Federation and other Russian government officials for taking the time to participate in this meeting. We are also very grateful to the Russian Federal Tax Service for the exceptional arrangements for this meeting and for their warm welcome.