

1/ March 2004

Printer friendly page 

Editorial

Exchange of Information

The ever increasing pace of globalization of economic activities and cross border transactions have left national authorities struggling to deal with issues that have implications extending beyond their respective territorial boundaries and legal jurisdictions. Technological advances in the field of travel, communication, information technology and the development of complex business and commercial practices like innovative financial instruments as well as mobility of capital and labour offer opportunities for end users of these developments to plan and engage in activities that are difficult to detect in the first place. Even when a lead is established, the roots are spread too deep and wide to be easily or unilaterally accessible.

A lot of such activities are organised and run on the assumption or calculated risk that national authorities would never be able to obtain enough evidence or information to reach a conclusive finding. This applies to several aspects or activities including terrorism, drug trafficking, smuggling, money laundering, tax evasion and avoidance. The only way to combat these activities is through international cooperation. There can be two levels of cooperation. The first is development of a regulated and continuous mechanism for exchange of information between countries and jurisdictions. The second and more difficult level is that of carrying out activities or implementing action on behalf of other countries. The scope of cooperation can be bilateral or multilateral, the latter being far more difficult to accomplish. Tax authorities are becoming increasingly aware of the importance of exchange of information in their effort to address the problems of tax avoidance and evasion. Whereas the framework for bilateral exchange of information has been in existence for quite some time through tax treaty arrangements, implementation on the ground has been virtually non-existent. This has been the case partly due to lack of emphasis on the issue in the past and also because of practical difficulties such as limited resources or the absence of mutually acceptable implementation mechanisms or inconsistencies in the criteria for clearance of information that can be disclosed or shared with the other side. However, as awareness of the problem increases it is hoped that more resources will be allocated towards addressing this key activity.

Major obstacles in the implementation of international cooperation in exchanging information include the concerns of tax administrations in protecting their own tax bases and in dealing with legal issues such as the rights of citizens to confidentiality in taxation and economic matters. Taxpayers seek assurances that any mutual assistance arrangement between tax administrations will not violate their legal and constitutional rights. Courts generally tend to be more sympathetic towards taxpayers than tax collectors. Tax administrations are understandably reluctant to get involved in prolonged legal wrangles over violation of the rights of taxpayers, especially when the issue is likely to arise from an action taken for the benefit of a foreign tax administration. It is also important and expected that arrangements for international cooperation will be equitable and transparent. Drawing the perfect balance between transparency while keeping a lid on confidential information may be an impossible task, especially when one party to the arrangement will endeavour to block the setting up of systems that threaten the very basis on which their activities flourish.

There are several levels or arrangements through which information can be and is exchanged. These include arrangements for automatic exchange of information, such as information about listing of new companies with corporate authorities or stock exchanges. Information could be exchanged at the specific request of authorities based on risk analysis or definite third party information. Tax authorities can arrange for their physical presence in other countries by appointment of their representatives in diplomatic missions abroad. Some countries practice spontaneous exchange of information whereby information that is considered important or relevant to the tax administration in another state is passed on without any request to that effect or in the absence of any bilateral agreement requiring such specific action. Ironically, spontaneous exchange of information contains usually the largest volume of data and that provided on request has the least volume. The latter may also generate a disproportionate amount of correspondence or communication by way of queries from the state providing the information and clarifications by the state seeking the information.

Given the importance of information sharing between countries and the growing awareness of helplessness of tax authorities to go it alone, there have been increasing noises in support of taking international cooperation between tax administrations a few steps further. Possible actions that are more frequently advocated include simultaneous audits in which two or more states undertake desk or field audits at the same time, relating to the same reporting

period within their respective national jurisdictions. There are calls for enforced collection or recovery of taxes under bilateral agreements. It is felt that the whole exercise of exchange of information and possible joint or simultaneous audits would be meaningless if tax demands created as a result cannot be collected.

Notwithstanding the legal frameworks in place between countries, the ground reality is that the success or otherwise of exchange of information arrangements is to a large extent a function of the attitudes of desk officers dealing with the subject and the commitment of senior management to seriously implement agreed arrangements. Success is also dependent upon the strength of human and material resource allocated to deal with exchange of information. Unfortunately, this remains a low priority area for policy makers and is considered a low grade and less professional assignment by tax officials. Work involved is to some extent different from the traditional core activities of career tax officials, is more time consuming and less rewarding in terms of acknowledgement of effort. Whether the answer lies in changing the attitudes of management and operating staff or in recruiting staff primarily to deal with exchange of information only, there is no escaping the fact that unless effective mechanisms for the exchange of information and international cooperation arrangements for simultaneous audits followed up by tax recovery action are created and enforced, tax evasion and avoidance will continue to be a risk worth taking for taxpayers and the opportunities that globalization and information technology offer will make it increasingly easier for unscrupulous taxpayers to remain mobile leaving tax administrations struggling to find traces of dodgy financial transactions and movement of capital.

CATA NEWS

TWENTY FIFTH CATA ANNUAL TECHNICAL CONFERENCE

Dates & Venue:

CATA's Twenty Fifth Annual Technical Workshop will be held during **6 to 10 September 2004** at **Taj Pamodzi Hotel** in **Lusaka**.

Topics:

The following two topics will be discussed at the conference/workshop:

- 1. Strategies for widening the tax base**
- 2. Building capacities in revenue agencies**

Background Papers:

Each member country is required to furnish background papers (not more than four pages each) on the conference topics. The manner in which these background papers should be structured is set out in (Annex-1) to the Conference Circular sent out to all members and available on CATA's web site. Given the fact that this year's conference will be held almost 4 months ahead of last year's conference, **due date for submission of background papers is 31 March 2004.**

Delegates nominated to attend the conference and special guests and observers are requested to forward their Registration Form duly completed to reach the **Conference/Workshop Coordinator** (with a copy to the CATA Office) no later than **30 April 2004**.

Financial Assistance:

A limited number of fellowships will be available from the Commonwealth Secretariat's Governance and Institutional Development Division (formerly MTSD) for applicants from member countries. **Applicants must ensure that their applications for funding are approved by and routed through COMSEC's designated Point of Contact in their respective countries.** Information about designated POCs is available on CATA's web site.

Conference Coordinator:

Mrs Priscilla C. Banda, is the **Conference/Workshop Coordinator**. She can be contacted as follows:

Tel.: 260 1 220283
Fax: 260 1 220283
Cell: 260 97 889439
Email: bandap@zra.org.zm

Work on Tax Audits in Swaziland

CATA has organised a two-week workshop on tax audits of multinational and domestic businesses. It will run from **8 to 19 March 2004**. The workshop is sponsored by the Governance & Institutional Development Division (**GIDD**) of COMSEC at the request of the Government of Swaziland and is being delivered by CATA. The following two experts will deliver training materials to the participants:

Mr. John Patterson (UK)

Mr. K D Gupta (India)

A limited number of participants from neighboring countries are also expected to participate in the workshop.

ADVANCING MANAGEMENT POTENTIAL (AMP) 2004

The UK Inland Revenue Training Office will run the residential part of Advancing Management Potential Programme for senior tax officials from

2 August to 17 September 2004.

AMP 2004 will run to the following schedule:

Dates

Internet: 7 June - 18 July 2004

Residential: 2 August - 17 Sep 2004

Internet: 6 Oct - 31 March 2004

Locations

Inland Revenue Staff College, Lawress Hall, Lincoln where accommodation and meals will be provided.

Inland Revenue Training Office, 11 Belgrave Road in London with participants being accommodated in a nearby hotel on a bed and breakfast basis.

Course Director

Alan Harley

Delivery Methodology and

Environment

The course will be run in three phases that every delegate must complete.

(Delegates should preferably have access to the Internet in their home country for Phase I and III of the course although lack of access is not a bar to participation).

Phase I Pre-residential course while the delegates are in their home countries. This period is moderated by a trained facilitator under the guidance of the Course Director and is shared with participants around the world. This phase takes place over a period of 6 weeks.

Phase II Residential part of the programme that takes place in the UK. Delegates stay at the Inland Revenue Staff College at Lincoln and in a hotel in London. This phase takes place over a period of 7 weeks.

Phase III Post-residential part that takes place in the delegates' home countries. This phase is crucial in the application of learning to the workplace. This is delivered through Computer Moderated Conferencing and lasts for a period of 3 months.

Course Content

The Advancing Management Potential programme is an intensive and demanding course organized and run by the United Kingdom Inland Revenue. The course is now in its sixth year. It is designed to develop those with the potential to reach the highest levels, especially those who are or will be involved and interested in organizational, cultural and technical changes. The UK Chartered Management Institute has accredited the course for four modules of its Executive Diploma in Management.

The course will provide participants with opportunities to develop innovative solutions to problems, and examine some important taxation issues in a highly practical manner, particularly in the field of international tax.

Other opportunities include:

- Making the most of their ability and completing a personal development plan
- Exploring management concepts and techniques with an emphasis on resource management and quality development
- Widening the knowledge of domestic and international taxation through an exchange of views and ideas
- Group learning, team dynamics and discussions
- Meeting managers from other tax organizations around the world
- Developing ideas and solutions to problems in their own organisation through project work
- Using latest training and development techniques
- Meeting and discussing management and technical issues with senior UK Inland Revenue officials
- Visiting operational tax offices.

Eligibility

Candidates should have experience of or the potential for senior management responsibilities. A high degree of proficiency in English is essential. The course is designed for tax officials of the Commonwealth countries, but applications will be considered from other suitably qualified candidates.

Course Fee

The Course fee of **£8,100** per participant will cover tuition costs, accommodation, most meals and reading materials.

Applications

Applications should be forwarded to reach:

Mr Andrew Coombes

Inland Revenue International Assistance

Victory House, 30 – 34 Kingsway

London WC2B 6ES

Tel No: +44 (20) 7438 8203

Fax No: +44 (02) 7438 6106

Email: Andrew.coombes@ir.gsi.gov.uk

Additional information and on-line application forms can be obtained through UK Inland Revenue web site at:
www.inlandrevenue.gov.uk/intassist

Funding

Nominees are strongly advised to start seeking their funding as soon as possible. **Confirmation of funding must be received by 25 June 2004.**

Cut Off

The closing date for all applications is **21 May 2004**. Soon after this date candidates will be sent the computer conferencing software to start the course on 7 June 2004.

Late Application

This programme is run with a small number of delegates, as it is highly interactive and practical. It is therefore imperative that nominees meet the above deadline. Late cancellation could seriously affect the course and even cause it to be cancelled.

COMMONWEALTH TAX INSPECTORS COURSE (CTIC) 2004

CATA is pleased to announce that arrangements have been completed by the UK Inland Revenue to run the Commonwealth Tax Inspectors Course (CTIC) 2003 for compliance/audit officials.

Dates

Internet 7 June - 16 July 2004
Residential: 2 August - 19 Sep 2004
Internet: 6 Oct - 31 December 2004

Venue

Inland Revenue Staff College, Lawress Hall, Lincoln, where accommodation and meals will be provided.

Inland Revenue Training Office, Birmingham with participants being accommodated in a nearby hotel on a bed, breakfast and dinner basis.

Inland Revenue Training Office, 11 Belgrave Road in London with participants being accommodated in a nearby hotel on a bed and breakfast basis.

Course Director

Peter Catchpole

Delivery Methodology and Environment:

The course will be run in three phases that every delegate must complete:

(Delegates should preferably have access to the Internet in their home country, especially for Phase I and III of the course although lack of access is not a bar to participation).

Phase I Pre-residential course while the delegates are in their home countries. This period is moderated by a trained facilitator under the guidance of the Course Director and is shared with participants around the world. This phase takes place over a period of 6 weeks.

Phase II Residential part of the programme that takes place in the UK. Delegates stay at the Inland Revenue Staff College at Lincoln and in a hotel in London. This phase takes place over a period of 7 weeks.

Phase III Post-residential part that takes place in the delegates' home countries. This phase is crucial in the application of learning to the workplace. This is delivered through Computer Moderated Conferencing and lasts for a period of 3 months.

Course Content

The course is designed for officials who are involved in:

- Examination of business accounts and/or
- Dealing with the training of such staff.

The course provides opportunities to enhance knowledge and skills in:

- Identification and pursuit of non-compliance to improve the effectiveness of domestic compliance organizations
- Risk analysis in case selection and interviewing techniques
- IT skills, the impact of e-commerce, internet aided compliance work and issues associated with cross border transactions
- Management and technical issues through meetings with senior UK Inland Revenue officials

The course also includes visits to operational tax offices.

Eligibility

The Course is open to officers involved in audit/compliance work or their trainers and will be of most benefit to those who are comparatively new to business accounts investigation work or who are involved in the training of new appointees in this field. A working knowledge of English is essential.

Course Fee

The Course Fee of **£8,100** will cover tuition costs, accommodation, most meals and reading materials.

Applications

Applications for places on the Commonwealth Tax Inspectors Course should be forwarded to reach:

Mr Andrew Coombes
Inland Revenue International Assistance
Victory House, 30 – 34 Kingsway
London WC2B 6ES
Tel No: +44 (20) 7438 8203
Fax No: +44 (02) 7438 6106
Email: Andrew.coombes@ir.gsi.gov.uk

Additional information and on-line application forms can be obtained through UK Inland Revenue web site at:
www.inlandrevenue.gov.uk/intassist

Funding

Nominees are strongly advised to start seeking their funding as soon as possible. **Confirmation of funding must be received by 25 June 2004.**

Cut Off

The closing date for all applications is **21 May 2004**. Soon after this date candidates will be sent the computer conferencing software to start the course on 7 June 2004.

Late Application:

This programme is run with small number of delegates, as it is highly interactive and practical. It is therefore imperative that nominees meet the above deadline. Late cancellation by potential candidates could seriously affect the course and even cause it to be cancelled.

COMMONWEALTH MANAGEMENT DEVELOPMENT PROGRAMME

(CMDP) 2004

CATA is pleased to announce that the Commonwealth Management Development Programme for tax administrators for 2004 will be held at the National Tax Academy, Inland Revenue Board, MALAYSIA

Dates

30 August to 8 October 2004.

Venue

It is a residential Course and trainees will be accommodated in the residential accommodation of the National Tax Academy.

Resource Persons

Resource persons for this Course will be drawn from the tax administrations of Australia and New Zealand.

Eligibility

The Course is open to senior tax officials from the Commonwealth countries. Candidates should have experience in handling management responsibilities. A working knowledge of English is essential.

Course Objectives

1. Extend participant's management perspective and skills.
2. Enable participants to review and revisit their management practices.
3. Develop participant's confidence to enable them to apply new skills to the workplace.
4. Challenge participant's current thinking and practice.
5. Create an active learning environment

6. Model team work and team learning processes
7. Broaden participants' knowledge of certain key areas of tax administration
8. Examine trends in Commonwealth tax administrations.
9. Share and examine different and best practices in certain areas of tax administration.
10. Design and present as "best practice" a part of the taxation system.

Course Contents

Subjects covered by the course include: management development and organizational development in the year 2004; understanding difference and learning about others; interpersonal skills; team skills and processes; leadership; performance management; systems thinking; continuous improvement; business planning; presentation skills; the Commonwealth perspective; tax administration module; best practice design for tax administration sub-systems; risk management; strategic planning; acting planning; putting it all together; tax compliance administration; audit case selection; risk based auditing; planning investigations/large company investigations; cost benefit analysis; value added taxes; introduction to methods of income determination; management of disputes; evasion/avoidance; underground economy/money laundering; fraudulent transactions; evidential requirements/investigator in court; trading stock/long term construction contracts; issues relating to multinational corporates/expatriate employees.

CFTC Awards

A limited number of fellowships will be available from the Commonwealth Fund for Technical Co-operation through Commonwealth Secretariat's Governance and Institution Development Division (GIDD), formerly known as MTSD, for candidates from the African, Asian, Caribbean and Mediterranean regions. These awards will cover the Course Fee including:

- Training fees
- Accommodation for the duration of the Course
- Cost of meals for the duration of the Course

The cost of the participant's air travel (to and from Kuala Lumpur) will have to be met by the nominating government.

Form MTS/1 (**Annex – I**) duly completed should be forwarded through the local Point of Contact to reach GIDD **no later than 15 June 2004.**

Please note that any application not forwarded through or endorsed by GIDD's designated Point of Contact (POC) in your country will not be considered at all for funding by GIDD. Please also note that once GIDD have approved funding for a particular person, it cannot be transferred to any other person nominated by a country in place of the original nominee after GIDD's approval has been made. An advance photocopy of the application may also be forwarded directly to:

Mr M Jasimuddin
Senior Programme Officer
Governance and Institution Development Division
Commonwealth Secretariat
Marlborough House, Pall Mall
LONDON SW1Y 5HX
Tel No: (44) 20 7747 6343
Fax No: (44) 20 7747 6335 / 20 7930 0827
Telex No: 27678

In order to facilitate follow-up action, the nominating authority is strongly advised to send a copy of Form MTS/1 duly completed to reach the CATA Office by 15 June **2004.**

The annual CATA Circular on CMDP will be issued shortly.

TAXATION OF INTERNATIONAL TRANSACTIONS (TOIT) 2004

CATA is pleased to announce that arrangements have been finalized to hold the Workshop on Taxation of International Transactions for senior and middle level tax officials for 2004. The Workshop will again be hosted by the Malaysian Inland Revenue Board.

Duration

It will be a three-week programme from 2 to 20 August 2004.

Venue & Accommodation

The Workshop will be held at:

The National Tax Academy
Inland Revenue Board
Bandar Baru Bangi
Selangor – MALAYSIA

This is a residential programme; accommodation and meals will be provided at the National Tax Academy.

Course Objectives

The purpose of the Workshop is to broaden and deepen participants understanding of the rules of international taxation, especially tax treaties, by considering their application in interaction with domestic tax law and to commercial transactions which involve flows of funds across international frontiers.

Workshop Contents

- (a) Review basic concepts such as source of income and residence status of individuals and enterprises.
- b. Focus on the provisions of the OECD Model Tax Convention on income and on capital and the United Nations Model Double Taxation Convention between developed and developing countries.
- c. Highlight practical case studies.
- d. International tax audits aimed at countering tax avoidance and the abuse of tax treaties and transfer pricing issues in relation to the operations of multinationals corporations.

Eligibility

Participants should be:

- a. Senior and middle level officials involved in the negotiation of tax treaties, application of tax treaties, or in development of policy or administration in relation to international taxation.
- b. Tax Inspectors responsible for, or engaged in, the audit of multinational enterprises and of other taxpayers involved in international transactions. Applicants must have a good command of spoken and written English.

A maximum of 15 participants will be selected on the basis of regional representation. It is unlikely that more than one candidate per country will be considered for selection.

Financial Assistance

The Malaysian Government will meet the cost of food and accommodation for the duration of the Course.

Nominating Governments will be required to meet the cost of the return air fares. Participants are advised to bring along an equivalent of US \$25 per day to cover incidentals and personal expenses.

Application Procedure

Applications must be made using Form NTA 1 (attached) and must be supported by a medical report on Form NTA 2 (attached). All the applications must be submitted through the applicant's Government to the National Tax Academy.

The closing date for the applications is **30 June 2004**. Successful candidates will be informed by early September by the National Tax Academy.

Applicants must furnish a fax contact number and e-mail address in their application forms to expedite communication.

Course Director:

Ms Asriah Shaari, from the International Division, Inland Revenue Board of Malaysia will be the Course Director for TOIT 2004.

Further information may be obtained from:

Ms Lim Pao Chen

Deputy Director
National Tax Academy
Inland Revenue Board
Persiaran Wawasan
43650 Bandar Baru Bangi
MALAYSIA
Tel No: 603 8925 5611/603 8925 6293
Fax No: 603 8925 7005/603 8925 7299
E-mail: apn@po.iaring.my

pclim@hasilnet.org.my

MANAGEMENT COMMITTEE

MEETING 2004

The annual meeting of the Management Committee of CATA will be held in Marlborough House, London on **11 and 12 May 2004**. This would be the first annual meeting of the new Committee elected at the Ninth General Meeting in Kuala Lumpur during which the second strategic plan for CATA was adopted.

APPOINTMENT OF NEW

REGIONAL DIRECTORS

In accordance with the relevant provisions of CATA's constitution, the following 6 new Regional Directors have been appointed in pursuance of the decisions taken at the Ninth General Meeting of CATA held in Kuala Lumpur, Malaysia on 7 December 2003:

ASIAN REGION

Mr K A P Kaluarachchi, Deputy Commissioner, Department of Inland Revenue, Sri Lanka has been appointed as new Regional Director in place of Mr Mohd. Zaid bin Ismail, Malaysia.

CANADIAN & CARIBBEAN

REGION

Mr Loyde Cummins, Department of Inland Revenue, Barbados has been appointed as new Regional Director in place of Mr Rupert Gooding, Trinidad & Tobago.

EUROPEAN REGION

Mr Carmel Conti, Inland Revenue Department, Malta has been appointed as new Regional Director in place of Mrs Julie Jobson, UK.

NORTHERN AFRICAN REGION

Mr Sefa Agyebeng, Internal Revenue Services, Ghana has been appointed as new Regional Director in place of Mr Nana Osei Twumasi, Ghana.

PACIFIC REGION

Ms Pam Mitchell, Australian Taxation Office has been appointed as new Regional Director in place of Ms Avalisa Biali, Samoa.

SOUTH AFRICAN REGION

Mr Erich Kieck, South African Revenue Service has been appointed as new Regional Director in place of Mrs Lulu T Seakgosing, Botswana.

NEW COUNTRY CORRESPONDENT

FOR CAMEROON

Mr Fiekfu Francis, Inspector at the Department of Taxes has been designated as the Country Correspondent.

OTHER NEWS

'REDRESSING THE BALANCE' END OF YEAR MESSAGE FROM THE COMMONWEALTH SECRETARY-GENERAL

In his end-of-year message, issued on 30 December 2003, Commonwealth Secretary-General Don McKinnon highlighted the Commonwealth's efforts to assist member countries in achieving the Millennium Development Goals. He also summarised some of the outcomes of the recent Commonwealth Heads of Government Meeting (CHOGM) in Abuja, Nigeria.

"This Summit saw significant outcomes for the Commonwealth as a whole. In particular, it strengthened the role our organisation can play in redressing the balance between the 'haves' and the 'have-nots' and ensuring more progress is made on the path towards democracy and development," Mr McKinnon said.

"Trade is one of the most effective tools against poverty. But developing countries are often prevented from accessing rich countries' markets and trading their way into sustainable growth. When it costs a US farmer twice more to produce a bag of rice than it does, say, a farmer in Guyana, and yet the American farmer is able to sell his rice at a lower price, you know there is something wrong. How can developing countries compete when the largest economies -- the United States, the European Union and Japan -- spend US\$1 billion a day in subsidies and dump commodities at a fraction of what they cost to grow?

"But agricultural subsidies are only part of the story. Trade barriers also prevent poor countries to make the most of their natural resources.

"The Doha trade round offered hope that some of the asymmetries of the international trade system would be corrected. The failure of the Cancún trade talks was a disappointment for everyone -- but the damage inflicted is not irreversible. The Commonwealth is trying to put the trade talks back on track. A significant development in

Abuja was the decision made by Commonwealth leaders to dispatch a ministerial mission to key capitals to call on major players and 'to urge them to negotiate positively and flexibly to reinvigorate the Doha Round and to move expeditiously to a final agreement.'

"Another important decision reached at CHOGM was the agreement on guidelines for implementing the Commonwealth's fundamental values by all branches of government. These principles -- known as the 'Latimer House Guidelines' -- set out a framework for responsibility, transparency and accountability in the three branches of government -- Parliament, the Executive and the Judiciary. This achievement illustrates how Commonwealth civil society can have a key impact on decisions made by Heads of Government. Commonwealth leaders also addressed the issue of corruption and called for enhanced mutual co-operation in the repatriation of illegally acquired public funds and assets.

"On terrorism, too, a great deal has been achieved. Over the past two years, the Commonwealth Secretariat has been developing model legislation and implementation kits to assist member countries -- particularly small states -- with the adoption of appropriate counter-terrorism measures. At their Meeting in Abuja, Commonwealth leaders decided that this work should continue and that co-operation between member states should be reinforced.

"One of the central issues leaders discussed in Abuja was the interdependence between democracy and development. In the Aso Rock Declaration, issued at the close of the meeting, Commonwealth leaders recognised that 'while development and democracy are goals each in its own right, they must be mutually reinforcing, with a clear "democratic dividend", in terms of delivering tangible benefits to people. We are convinced that broad-based prosperity creates the stability conducive to the promotion of democracy; and that strong democratic institutions better promote development.' Commonwealth leaders recognised the critical role which women play in development and 'resolved to ensure that development processes empower women to play that full role.' They also emphasised the need to reinforce the fundamental components of democracy, including an independent judiciary, a transparent public accounts system as well as mechanisms for the protection of human rights and the right to information.

"The Abuja CHOGM was also an opportunity to benefit from the energy and contributions of the Commonwealth civil society community. Indeed, the People's Forum demonstrated how our civil society network can, through the knowledge and expertise it features, strengthen partnerships and co-operation among the people of the Commonwealth. The depth and breadth of our Commonwealth civil society network is the envy of international organisations everywhere."

The full text of the Secretary-General's message can be seen at www.thecommonwealth.org.

COMMONWEALTH EXPERT TEAM OBSERVES MALAWI VOTER REGISTRATION

A Commonwealth Expert Team observed the final week of voter registration in Malawi. The Expert Team comprised Mr Danville Walker, Director of Elections in Jamaica's Electoral Office, supported by Ms Charlene Lee Ling from the Political Affairs Division of the Commonwealth Secretariat.

The Team was briefed by the Malawi Electoral Commission and visited voter registration centres throughout the country to observe the registration process. It began its work on 12 January 2004 and left Malawi on 17 January to report its findings to the Commonwealth Secretary-General. Malawi is due to hold its General Election on 18 May 2004.

Commonwealth observers have previously been present at voter registration exercises in Swaziland (2003), Antigua and Barbuda (2003), Nigeria (2003), Lesotho (2002), and Sierra Leone (2002).

COMMONWEALTH MOURNS

DEATH OF DOMINICA'S PRIME MINISTER

Commonwealth Secretary-General Don McKinnon expressed great sadness at the untimely death of Prime Minister Pierre Charles of Dominica, who passed away on Tuesday, 6 January 2004 at the age of 49.

Prime Minister Charles, who took office on 3 October 2000, also held the portfolio of Finance, Economic Planning and Carib Affairs and served as Chairman of the Caribbean Community (CARICOM) in 2003.

"Prime Minister Charles was a highly valued Commonwealth and Caribbean leader and his loss, particularly at such a young age, is mourned by all members of the Commonwealth family," Mr McKinnon said in a statement issued on 8 January 2004.

"I extend condolences to his wife Justina and their two children and to the government and people of Dominica at this difficult time."

NEW PUBLICATIONS:

NEW PUBLICATION:

THE COMMONWEALTH

YEARBOOK 2004

The Commonwealth Yearbook is the essential annual guide to the Commonwealth, its members and organisations.

The 2004 edition has a substantial amount of new material including further changes to the format in response to feedback from users. There has also been a comprehensive update on the profiles of all Commonwealth member countries, as well as the 24 associated states and overseas territories, and many Commonwealth organisations.

Reflecting the diversity of Commonwealth countries and people, the 2004 Yearbook has added statistical tables on small states and information on literary prize winners and membership of international and regional organisations.

Other updates in the 2004 edition include: the evolution, role and operations of the association; full texts of key declarations; a review of principal programmes and initiatives; in-depth profiles of the member states and dependencies; a directory of some 100 Commonwealth organisations, with full profiles of the leading intergovernmental bodies; and an extensive reference section, with statistics.

The Yearbook is published by The Stationery Office for the Commonwealth Secretariat.

'COMMONWEALTH PUBLIC

ADMINISTRATION REFORM 2004'

This publication is a comprehensive resource for all those in public and private sectors and in civil society engaged in reforming public administration.

It includes in one volume the principal documents of major reform initiatives in the Commonwealth and, centrally, those of the Commonwealth Secretariat and the Commonwealth Association for Public Administration and Management. It draws on the richly diverse experience of member countries, large and small, developing and industrialised.

Bringing together the knowledge and experience of leading experts from around the Commonwealth, the 2004 edition covers reform strategies; democracy and security; public-private partnerships; human resources management; information systems; and education and leadership.

'INFLUENCING AND MEETING

INTERNATIONAL STANDARDS

VOLUME 1'

This volume contains conclusions and recommendations based on case studies on standards and quality management conducted in Jamaica, Kenya, Malaysia, Mauritius, Namibia and Uganda.

The case studies involved gathering information from representatives of governments and international organisations who shared their experiences and opinions about improving the capacity of developing countries to meet the standards, technical regulations, sanitary and phytosanitary measures of export markets.

Also included is background information on relevant agreements and procedures, as well as an overview of the technical assistance needs of developing countries.

This publication is the outcome of a project jointly funded by the Commonwealth Secretariat and the International Trade Centre, which is the technical co-operation agency of the United Nations Conference on Trade and Development.

'A FRAMEWORK FOR HERITAGE, MULTICULTURALISM AND

CITIZENSHIP EDUCATION'

Following the 14th Conference of Commonwealth Education Ministers held in Halifax, Canada, in November 2000, the Commonwealth Secretariat organised a seminar with the theme 'A Commonwealth Framework for Heritage, Multiculturalism and Citizenship Education' in Johannesburg, South Africa, in April 2002.

This publication was compiled from the papers and proceedings of the seminar. It is a result of collaborative work undertaken by educationalists, curriculum developers and leading experts to develop a framework for an innovative approach to citizenship education, to strengthen a culture of fairness, equity, tolerance and respect.

This ground-breaking approach involves the key elements of heritage, multiculturalism and citizenship. The framework, easily adapted to individual countries, serves as a basis for organising curriculum and for teaching and learning resources.

'INVESTMENT INCENTIVES IN COMMONWEALTH DEVELOPED COUNTRIES AND THE WTO INVESTMENT NEGOTIATIONS'

This publication contains four studies of investment incentives and subsidies currently available for small businesses, economically disadvantaged or remote areas and indigenous or minority groups in four developed countries of the Commonwealth: Australia, Canada, New Zealand and the United Kingdom.

They were commissioned by the Commonwealth Secretariat to show the breadth and diversity of such incentives in the developed world and, by implication, the wide diversity of such measures that are World Trade Organisation-compatible and do not infringe, or are not seen as infringing, the rules on investment agreed under the 1994 General Agreement on Tariffs and Trade or the more recent General Agreement in Trade and Services.

The introductory chapter examines these rules. The proposed Multilateral Investment Agreement is also evaluated in terms of the limits it may place on developing countries. Next, the four studies of investment incentives currently in effect in the developed countries mentioned are summarised and examined in terms of lessons that can be drawn by developing countries.

Useful contact addresses and websites for programmes and incentives outlined are given. This title will be of specific relevance to trade investment decision-makers in the public policy field.

CARIBBEAN SEMINAR on THE ROLE OF THE OMBUDSMAN

A Commonwealth seminar has called upon governments of the Caribbean region to support the promotion of the ombudsman as an integral part of good governance and democracy.

The seminar on 'The Role of Ombudsman in the Fostering of Good Governance and Democracy' was held from 12 to 15 January 2004 in St Kitts and Nevis to encourage, offer support and share information with countries in the region contemplating the establishment of such institutions. It was attended by Ombudsmen, former Ombudsmen and representatives of governments from the Caribbean and some African countries.

In a communiqué issued at the conclusion of the seminar, participants urged Caribbean governments "to establish offices in countries where such institutions are non-existent".

The seminar, which was organised by the Governance and Institutional Development Division (GIDD) of the Commonwealth Secretariat in collaboration with the Caribbean Ombudsman Association (CAROA), was hosted by the Office of the Prime Minister of St Kitts and Nevis. Funding was provided by the Commonwealth Fund for Technical Co-operation.

"It is self-evident that institutions such as the ombudsman are inevitable for the realisation of the goals of our Heads of Government," said Professor Victor Ayeni, Director of GIDD, in an address to the seminar. "The institution has clearly become indispensable to any country serious about establishing a genuinely accountable government that serves the best interests of its people."

The keynote address was delivered by Sir Probin Inniss, former Governor-General of St Kitts and Nevis, and closing remarks by the Attorney-General of St Kitts and Nevis, Mr Delano Bart.

View the full seminar communiqué on the Commonwealth website,

www.thecommonwealth.org.

ROUNDTABLE on WAY AHEAD FOR WTO NEGOTIATIONS

The Commonwealth Business Council (CBC) convened a roundtable discussion 27 January to identify the way forward for the stalled World Trade Organisation (WTO) negotiations. The roundtable took place at Marlborough House, the headquarters of the Commonwealth Secretariat in London.

Following the roundtable, the CBC issued a statement summarising its conclusions. One was that developed countries must address the concerns of developing countries not least in declaring their willingness to substantially reform the system of agricultural subsidies. The statement also said that the political will to make progress needs to be intensified by all parties especially since many governments have to contend with important domestic political agendas.

Focusing on issues emerging from the unsuccessful meeting of trade ministers in Cancún, Mexico, in September 2003, the roundtable brought together leading experts from governments, the private sector and civil society organisations. It examined two specific areas of the WTO negotiations: the prospects for the Doha Round of negotiations (after the failure of the Cancún meeting) and the impact of increasing regional/bilateral arrangements.

A further conclusion was that the tendency towards regional and bilateral agreements after the failure of the negotiations at Cancún was likely to intensify. This, however, should not come at the expense of or to the detriment of the multilateral process, which benefits all.

Shondeep Banerji, Trade Spokesman for the CBC, stated: "This roundtable discussion played an important part in the development of a post- Cancún strategy. The Commonwealth Business Council is determined to represent the interests of the private sector and work towards a successful conclusion to the trade negotiations. In terms of helping the developing world and contributing towards greater global prosperity, the stakes could not be higher."

The CBC was established by the Commonwealth Heads of Government Meeting in October 1997 to involve the private sector in the promotion of trade and investment. Further information on the roundtable can be found at www.cbcbelink.org/cbcbelink/cbcdocument.jsp?name=wto_roundtable. General information about the CBC can be found at www.cbcbelink.com/.

GENDER MANAGEMENT SYSTEM TOOLKIT LAUNCH

The Commonwealth Secretariat has launched a 'Gender Management System Toolkit' to assist Commonwealth governments in ensuring that an awareness of gender issues informs their decision-making in all areas, at all levels.

The launch in Kuala Lumpur, Malaysia, on 26 January 2004 was attended by some 300 representatives of the Government of Malaysia, the National Institute of Public Administration (INTAN), the diplomatic corps, universities and non-governmental organisations.

It was followed by a three-day workshop on how to use the Gender Management System (GMS) Toolkit, held from 26 to 28 January and attended by 80 participants representing all key sectors. Malaysia's Minister of Women and Family Development, Dato' Seri Shahrizat Abdul Jalil, and INTAN Director Dato' Dr Zulkarnain Hj. Awang, expressed the keen commitment of the Malaysian Government and INTAN to promoting gender mainstreaming.

The GMS is the Commonwealth's approach to gender mainstreaming, which is the incorporation of considerations of gender equality in all government policies and programmes. It calls for a broad-based partnership in society in which government consults and acts co-operatively with other key stakeholders, including civil society and the private sector.

The Toolkit is the culmination of the Secretariat's GMS series of publications, which focuses on gender mainstreaming in such key sectors as finance, development planning, the public service, legal and constitutional affairs, as well as cross-cutting development issues such as HIV/AIDS, poverty eradication and the Millennium Development Goals, and gender-based violence.

A co-publication of the Secretariat and the Commonwealth of Learning, the Toolkit brings together the series of GMS manuals into a user-friendly training package. It includes a CD-Rom of all the original manuals, an Action Guide to facilitate individual learning, a Training Manual for gender trainers, and a Change Management Briefing for anyone committed to effecting gender equality through institutional change.

COMMONWEALTH FILES FROM 1973 MADE PUBLIC

The Commonwealth Secretariat has released to the public 91 formerly classified documents dated up to 1973. The records released on 30 January 2004 include files relating to the Commonwealth Heads of Government Meeting (CHOGM) in Ottawa, 1973; minutes of Meetings of the Rhodesia Sanctions Committee and other files concerning the Rhodesia crisis, including aid to Zambia; files relating to the Report of the Work Study Group on the Commonwealth Secretariat; and documents concerning the Commonwealth membership of The Bahamas and Bangladesh.

They also include 22 files from the Private Office of Arnold Smith, the first Commonwealth Secretary-General. These contain records of conversations with various Commonwealth government and non-government representatives. Specific subjects include official tours and visits by the Secretary-General; the European Economic Community and its impact on the Commonwealth, and in particular association/trade agreements with the enlarged EEC; the Commonwealth Finance Ministers Meeting, London, 1972; and the 1973 CHOGM in Ottawa.

This is the eighth year that formerly classified records have been made public by the Secretariat. In 1997, it adopted the practice of releasing confidential Commonwealth shared records after 30 years.

THE COMMONWEALTH'S ROLE IN AFRICA

On 10 February 2004, Commonwealth Secretary-General Don McKinnon addressed the United Kingdom's Africa All-Party Parliamentary Group on the Commonwealth's role in Africa.

Recognising that the Commonwealth is often misunderstood and misconceived, Mr McKinnon explained that, far from being a mere "relic of the Empire", the Commonwealth was "a unique organisation which provides an international forum where each member country can have its voice heard and increase its weight in world affairs." He reminded his audience of the central role Africa played in the Commonwealth community: "The ties between Africa and the Commonwealth are long and rich. With 18 members, African countries collectively represent the largest regional constituency within the Commonwealth community."

The Secretary-General underlined the fact that the last Heads of Government Meeting (CHOGM) was held in Abuja, Nigeria, and outlined some of the outcomes of the meeting.

One of the key decisions taken by Commonwealth leaders was the establishment of a Ministerial Trade Mission to help put the Doha trade talks back on track. This group, headed by Nigeria's Minister of Commerce, embarked this week on a mission to key capitals to help generate a consensus on the way forward.

Mr McKinnon also drew attention to the link between democracy and development, the theme of the Abuja summit: "Recognising that development cannot progress without true democracy, member states reiterated their determination to strengthen the pillars of democratic governance -- including an independent judiciary, a transparent public accounts system as well as mechanisms for the protection of human rights and the right to information."

Another key development following the Abuja CHOGM was the decision by the Zimbabwe Government to leave the Commonwealth. "This was a very sad and disappointing development," said the Secretary-General. "However, the doors of the Commonwealth will always remain open. The Chairperson-in-Office [Nigeria's President Olusegun Obasanjo] has undertaken to do everything in his power to ensure enough progress is achieved to enable Zimbabwe's return to the Commonwealth family."

Mr McKinnon took the opportunity to outline the range of efforts and initiatives deployed by the Commonwealth to seek a solution to the crisis in Zimbabwe. "From the very start, the Commonwealth has been at the forefront of efforts to resolve the crisis. But all our attempts to establish a fruitful dialogue with the Government of Zimbabwe have been rejected and come to naught.

"Our main concern remains for the people of Zimbabwe, who are suffering most from this crisis. We are also concerned about the impact of this crisis on the economies of neighbouring SADC countries." The Secretary-General also described some of the Commonwealth's initiatives in Africa in the areas of electoral assistance, the promotion of democracy, health, education, and economic development.

"The link between democracy and development, which leaders highlighted at their meeting in Abuja, is particularly important in the African context. It is crucial that democracy does not only deliver economic dividends, but is also perceived as delivering economic dividends, if the process of building strong democracies is to continue to enjoy widespread popular support," he concluded.

TALKING TRADE IN GENEVA, WASHINGTON, TOKYO AND

BRUSSELS

Trade ministers from Commonwealth countries met Japanese government ministers in Tokyo on Monday, 16 February 2004, as part of their nine-day mission to urge major global players on trade to negotiate positively and flexibly to reinvigorate the Doha Round of trade talks.

The Commonwealth trade delegation had separate meetings with Yoshiyuki Kamei, Minister of Agriculture, Forestry and Fisheries, Goji Sakamoto, Senior Vice-Minister, Ministry of Economy, Trade and Industry, and with Ichiro Aizawa, Senior Vice-Minister, Ministry of Foreign Affairs. Speaking in Tokyo on 16 February, Commonwealth Deputy Secretary-General Winston Cox said, "We have been encouraged by what we have heard in our meetings and feel that momentum is building to get the trade talks back on track."

On Monday last week (9 February) the ministers had discussions with the Director-General of the World Trade Organisation, Dr Supachai Panitchpakdi, and with Commonwealth Ambassadors in Geneva. They proceeded to Washington, DC, where they met Horst Köhler, the Managing Director of the International Monetary Fund, and later Alan Larson, Under Secretary for Economic, Business and Agricultural Affairs, US State Department. While there, they briefed Senators Payne and Jefferson, members of the Congressional Black Caucus of the US Senate, and held a meeting with senior officials of the World Bank.

The mission is chaired by Alhaji Idris Waziri, Minister of Commerce, Nigeria (representing President Olusegun Obasanjo, Commonwealth Chair-in-Office). Its other members are Dame Billie Miller, Head, Caribbean Region Negotiations on Doha Round, and Minister of Foreign Affairs and Trade, Barbados; and Kaliopate Tavola, Pacific Region representative and Minister of Foreign Affairs and External Trade, Fiji Islands.

They are supported by a team from the Secretariat led by Mr Cox.

SIR JOHN DANIEL NEXT

PRESIDENT OF COL

Sir John Daniel has been appointed the new President and Chief Executive Officer of the Commonwealth of Learning (COL), with effect from 1 June 2004.

He comes to COL from UNESCO (United Nations Educational, Scientific and Cultural Organisation) where he is Assistant Director-General for Education and heads the global 'Education for All' programme.

Sir John succeeds Professor Gajaraj Dhanarajan, who retires in May from the COL headquarters in Vancouver, Canada. COL is an intergovernmental organisation that was created by Commonwealth Heads of Government to encourage the development and sharing of open learning and distance education knowledge, resources and technologies.

BUILDING EFFECTIVE

GOVERNMENT - ADVANCED

SEMINAR

Commonwealth ministers and senior administrators with a leadership role in reform of their governments' public management and administrative processes attended a week-long seminar on public sector reform in Wellington, New Zealand.

The seminar, which began on Monday, 16 February 2004, was sponsored by the Victoria University of Wellington in collaboration with the Commonwealth Secretariat and the New Zealand Agency for International Development. With the theme 'Building Effective Government', the seminar focused on innovative service delivery, managing decentralisation and leading programmes of change. It enabled participants to compare and contrast their reform experiences with those of other countries.

Organised by the Secretariat's Governance and Institutional Development Division (GIDD), the seminar is part of its series of New Zealand-based activities designed to help Commonwealth developing countries strengthen the capacity of their public sector organisations. Professor Victor Ayeni, Director of GIDD, said, "the seminar will enable member countries to focus better on their national agendas for public sector reform and the role of public sector leaders in achieving these objectives."

Speaking at the opening of the seminar, Director of the Secretariat's Corporate Services Division, Marion Cowden, said, "Heads of Government, in the Aso Rock Declaration, committed themselves to making democracy work better for pro-poor development by, amongst other things, enhancing democratic institutions and processes ...

"With its focus on sharing practical experiences and preparing change strategies, and its participants who represent the highest operational levels of the public service [this seminar] is an important component of our work in addressing the priorities outlined in the Aso Rock Declaration. "The seminar, like previous editions, aims to provide participants with a rich resource of ideas and information for ongoing reform in their own organisations."

COMMONWEALTH TRADE

MINISTERS COMPLETE MISSION TO KEY CAPITALS

Commonwealth Trade ministers completed their nine-day mission to urge major global players on trade to negotiate positively and flexibly to reinvigorate the Doha Round of trade talks. The mission was convened at the request of Commonwealth Heads of Government, who met in Abuja, Nigeria in December 2003.

Speaking today at Marlborough House, the Headquarters of the Commonwealth Secretariat in London where the Ministers concluded their mission, Commonwealth Secretary-General Don McKinnon said: "We believe that trade and not aid will be the fastest way of getting developing countries to achieve the UN Millennium Development Goals, which all nations have signed up to."

The Ministers were also encouraged that all the leading players they met on their mission attached priority to delivering on the Doha Development Agenda. "There was recognition that a breakthrough on agriculture was

crucial for the successful conclusion of the Round. The EU, Japan and the US also recognised the importance of non-agricultural market access and special and differential treatment for developing countries," Mr McKinnon continued.

"Ministers were of the view that their mission had reinforced the political will to conclude the Doha Development Round and enabled them to convey to the three major players in the multilateral trading system the special interests and concerns of poor and vulnerable economies. It had also enabled them to understand better the positions of the EU, Japan and US, as well as the political pressures that impacted on their decision-making. The meetings at the WTO, IMF and World Bank had enabled Ministers to obtain at first hand information on the current work of these institutions in the trade policy area. They had also had the opportunity to elaborate on the special needs of capacity-constrained countries."

COMMONWEALTH DAY 2004 CELEBRATIONS

'Building a Commonwealth of Freedom' is the theme of this year's Commonwealth Day, which falls on Monday, 8 March. In his Commonwealth Day Statement released on 3 March, Secretary-General Don McKinnon said the theme "highlights the key role the Commonwealth can play in strengthening our democracies and defending individual rights and freedoms."

He stated, "Upholding freedom and human rights is a responsibility we all share. When fundamental freedoms are denied - when citizens are prevented from taking their full part in the democratic process, when journalists are gagged, when people are not allowed to follow their faith or their chosen course in life - the whole world is affected. Less freedom means greater instability and greater insecurity for everyone."

Mr McKinnon added, "The Commonwealth is a unique forum for global decision-making, where all members regardless of their size, population or GDP - sit at the same table and are free to make their voices heard. They use the force of argument rather than the argument of force to help prevent conflicts, support governance and promote a culture of peace and tolerance." Commonwealth Day is observed on the second Monday in March each year. It is celebrated in member countries around the world through speeches, receptions, prayers, parades, sporting events and other activities. Parliaments and legislatures mark the day with various events, and the Commonwealth Secretariat produces a poster for the occasion which is distributed to schools throughout the Commonwealth. Many cities host multi-faith observances.

HIPC MINISTERIAL FORUM IN SIERRA LEONE

Finance ministers from Commonwealth heavily indebted poor countries (HIPCs) gathered in Sierra Leone for a three-day meeting to discuss their financial status and review the world economic situation and its implications. The Vice-President of Sierra Leone, Ron Solomon Berewa, opened the forum on 2 March 2004 in Freetown. The meeting will enable ministers to exchange views on their experiences in the implementation of the HIPC debt relief initiative launched with Commonwealth support in 1996 by the International Monetary Fund (IMF) and World Bank. The ministers will discuss enhancing infrastructure investment in low income countries, particularly post-conflict countries. In addition, they will address building governments' capacity to deal with the private sector as this is necessary to attract private investment, both local and foreign.

Also present are representatives from the IMF, the World Bank, the West African Institute for Financial and Economic Management, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, the UK Department for International Development, Actis Capital, the Public and Private Infrastructure Advisory Facility, the Commonwealth Foundation and civil society groups. As in previous forums, particular emphasis will be placed on such technical issues as the need to pay attention not only to the numerator of debt ratios, but also to the denominator. This involves factors such as the growth of output, exports and government revenues, which determine the long-term capacity to sustain debt.

The conclusions of the Freetown meeting, which ended on Thursday, 4 March, will be fed into other international meetings, including the Joint IMF/World Bank Implementation Committee on HIPCs and the International Monetary and Financial Committee/Development Committee Meetings, in April 2004. The outcomes of the March meeting will be fed into the HIPC Forum to be held in the wings of the Commonwealth Finance Ministers Meeting in September 2004 in St Kitts and Nevis. Sierra Leone has recently emerged from a period of civil conflict. To enable ministers to have a first hand view of how it has been affected and the progress being made in rehabilitation and reconstruction, they were given a conducted tour of Freetown followed by a courtesy call on President Ahmad Tejan Kabbah, on 2 March.

NEWS FROM MEMBERS

AUSTRALIA

Country Correspondent:

Ms Pam Mitchell

ATO CHANGE PROGRAM UPDATE

The Australian Taxation Office continues its progress on making it easier to comply. The past year has seen many developments in the Easier, Cheaper and More Personalised Program. We took some significant steps on the road to an easier, cheaper and more personalised tax system and these changes have been well received by the Australian community.

About the Easier, Cheaper and More Personalised Program

The Easier, Cheaper and More Personalised Program is about making the revenue experience for our clients easier and cheaper. The program evolved from the *Listening to the Community* project conducted in 2002 in which we sought input from tax agents, businesses, individuals and our staff to identify ways to make it easier for taxpayers to comply with their tax obligations.

Ideas and suggestions that came out of the *Listening to the Community* project have been incorporated into a program of work that, over the next few years, will deliver improved online, phone and paper products, services and experiences for three key client groups – individuals, business and tax agents. The program will mean we answer our phones more quickly and resolve more issues in the first call. Notices and letters will be easier to understand and more relevant to the client's circumstances, and our clients will be able to interact with us more online. We are committed to developing not only our current capability but new and enhanced capabilities to deliver the full scope of client needs.

The Easier, Cheaper and More Personalised Program was developed because major changes implemented to our tax system in the past few years have made interacting with the Tax Office a challenge for our clients. Through this program we have identified a number of improvements to our products and services which we are now working on. Client involvement in designing these products and services, co-design, is now an integral part of the program and business model.

Achievements

We have already achieved some improvements to client experiences. Tax agents told us they wanted more detailed and faster online access to client information, better phone services and secure email. Through the co-design process we've improved their experience by providing the Tax Agent Portal (which allows secure access to reports and client information through the internet), simplified letters, and improved phone systems with a reduced number of phone numbers and call waiting times.

Through the co-design process we've improved Small Business experience by providing the Business Portal (which was highlighted in the last edition of the CATA Newsletter), simplified letters and notice content, and improved phone services through extended call centre operation hours. We've also improved individual taxpayers' experience by providing improved helpful hints and error checks on the *e-tax* electronic lodgment software, simplified letters and notice content, and improved self-help phone systems.

Future Developments

The Easier, Cheaper and more Personalised Program brings together all the work being undertaken in the Tax Office to improve the client experience and has responsibility for delivering a key element of the Tax Office's business model, 'we make it easy to comply'.

To meet its accountability obligations from a client perspective and build on its success, the program needs to continually evaluate whether we have been successful in delivering improved client experiences. A post-delivery review of client experiences delivered to 30 June 2003 has been conducted with a positive outcome.

2003 was a year of development for the Easier, Cheaper and More Personalised Program and though we have seen some improvements to client experiences there are still many plans and projects in store for the future. We have an exciting year ahead as we continue to make the revenue experience easier, cheaper and more personalised for our clients.

BOTSWANA

Country Correspondent:

Mr Tutu Bakwena

NEW INCOME TAX ACT

The Law Review Commission headed by the Attorney General finally finished its work and amongst other things consolidated all amendments to Income Tax since Act No. 12 of 1995. This "new" Act, Income Tax Act Chapter 52:01, came as a welcome relief for both the administration and taxpayers. Having to make reference to the various Amendment Acts, 7 in all, had become a cumbersome and very tedious exercise for all involved. This "new" Act does not repeal the 1995 Act but is merely a consolidation of amendments to that Act.

A welcome addition in the new Act is the inclusion of Statutory Instruments some dating as far back as 1975, that were previously not available in the Act. Again all involved welcomed this since these Instruments were in many cases very hard to find, even at the Government Printers.

New Treaties

During the last two years several treaties have been negotiated and initialled. These are the following:

- Namibia – initialled on 20 June 2003. The treaty is yet to be signed and ratified
- Seychelles – initialled on 17 June 2003. The treaty is yet to be signed and ratified
- South Africa – the renegotiated treaty has been signed and is yet to be ratified
- India – initialled on 14 May 2003. The treaty is yet to be signed and ratified; and
- Russia – the treaty has been signed and Gazzetted but is yet to be ratified

These treaties bring to 10 the number of treaties that Botswana has at least initialled but currently only 5 have been ratified and are in operation. It is anticipated that many more will be negotiated in the near future. It is also hoped that the increase in the number of treaties will open the doors to foreign direct investment in Botswana and will assist the fledgling international financial services centre that started operating in 1999. Among the many conditions required for the positive growth of a financial services centre is that the country in which it is must have a wide network of tax treaties.

Botswana Unified Revenue Service

The Minister of Finance and Development Planning, Mr Baledzi Gaolathe announced in his Budget Speeches for 2002 and 2003 that the Government would, pursuant to its strategy to reform tax administration, explore the feasibility of establishing a unified revenue service to take over the functions currently performed by the Department of Taxes and the Department of Customs & Excise. The Botswana Unified Revenue Service (BURS), as the new organization will be called, will be semi autonomous and answerable to a Board of Directors appointed by Statute. A Project Implementation Team (PIT) comprising officials from the revenue departments as well as other departments of the Ministry of Finance and Development Planning has already been formed to coordinate preparations for the BURS, which is expected to be operational by 1st July 2004.

CANADA

Country Correspondent:

Ms Christina Lee

CHANGES IN THE CANADA CUSTOMS AND REVENUE AGENCY (CCRA)

On December 12, 2003, the Right Honourable Paul Martin, Prime Minister of Canada announced a series of changes within the structure of the Canadian government. Of particular interest was the decision to create the Canada Border Services Agency, (CBSA), as a component of a new Department of Public Safety and Emergency Preparedness. Consequently, the CCRA will be known henceforth as the Canada Revenue Agency (CRA). The new Minister for the CRA is the Honourable Stan Keyes, who also holds the Sports portfolio, and is responsible for Canada Post and the Royal Canadian Mint, in addition to his Revenue duties.

Officially and for legal purposes, Canada's revenue administration will retain the CCRA name until it can be changed to the CRA by an Act of Parliament. The Commissioner of the CCRA, Mr. Alan Nymark will remain the Commissioner of the new CRA. Notwithstanding the mandate change, the CRA will retain its separate agency status within the Canadian environment.

The new Customs Border Services Agency (CBSA) combines elements of three departments and agencies: CCRA, the Canada Food Inspection Agency and the Immigration Canada. Mr. Alain Jolicoeur, a previous Deputy Commissioner of the CCRA, is President of the CBSA while, Mr. Denis Lefebvre, formerly the Assistant Commissioner of the Customs Branch, CCRA, is Executive Vice-President. The CBSA will bring together key border security and intelligence functions, and will play a major role in ensuring Canada's national security. Mr. Rob Wright, previously Commissioner of CCRA, is National Security Advisor to the Prime Minister.

Both the customs and revenue administrations will continue to work with their many partners, both domestic and international.

SINGAPORE

Country Correspondent:

Mr Tie Wee Tan

IRAS' TRANSITION INTO A

KNOWLEDGE-BASED ORGANIZATION

1. In line with IRAS' Vision of having an excellent team of competent and committed people, we have successfully launched an employee portal and knowledge management system called iNEX in early November 2003.
2. This electronic portal enables the organization to easily share knowledge and information to build up staff competence. It is also a platform to encourage learning and sharing amongst staff, so as to facilitate IRAS becoming a more knowledge-based organization.
3. In addition to implementing a good computer system, a new 'accredited tax specialist' scheme was launched to encourage specialists to maintain a high level of technical competence through continuous learning, teaching and sharing.

Income Tax Treatment of Foreign Exchange Gains or Losses for Businesses

1. For income tax purposes, gains and losses are not taxable as income and allowable as deductions until they are realised. In addition, a distinction as to whether the gains and losses are revenue or capital in nature has to be made because any gain or loss that is capital in nature is not taxable or allowable.
2. For accounting purposes on the other hand, there is no distinction made between exchange gains or losses of a revenue or capital nature. Accounting practice on recognition of realised and unrealised foreign exchange gains or losses also varies.
3. Since 1993, the Comptroller of Income Tax has accepted, as a concession, the accounting treatment adopted by banks for foreign exchange gains or losses that are identified to be **revenue** in nature. In other words, all exchange gains or losses recognised in the profit and loss account and identified to be revenue in nature, will be taxable or tax deductible even if there is no physical conversion of foreign currencies involved, or if the sales/purchases in foreign currencies are not settled in the same accounting period. This is in recognition of the administrative problems faced by banks in having to comply with the requirement to distinguish between realised and unrealised foreign exchange gains or losses for their huge volume of transactions. Foreign exchange gains or losses of a **capital** nature and those arising

from the translation of financial statements prepared in the businesses' non-Singapore dollar functional currencies into Singapore dollar merely for presentation purposes remained not taxable or allowable for income tax purposes.

4. The income tax treatment of foreign exchange gains or losses for businesses other than the banks has now been reviewed. These businesses fed back that if the strict legal position is adhered to, additional efforts would be involved to trace each translation, in order to establish if physical conversion of the foreign currencies into the functional currencies of the businesses had taken place, before the foreign exchange gains or losses of a revenue nature could be recognised for income tax purposes. The Comptroller of Income Tax has thus extended the concession granted to banks in 1993 to all businesses with effect from the year of assessment 2004.
5. This move is part of IRAS' continuous efforts at the simplification of rules and procedures for taxpayers, and to reduce compliance costs for them, in line with our Vision of partnership with taxpayers.

Double Taxation Agreement with the Republic of Lithuania

1. The Government of the Republic of Singapore and the Government of the Republic of Lithuania have concluded an Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion (DTA) with respect to Taxes on Income on 18 November 2003.
2. This is the 51st DTA concluded by Singapore

Double Taxation Agreement with the Hong Kong Special Administrative Region of the People's Republic of China

1. The Government of the Republic of Singapore and the Government of the Hong Kong Special Administrative Region of the People's Republic of China signed an agreement on 28 November 2003 for the avoidance of double taxation on income from operating ships and aircraft in international traffic.
2. Together with this agreement, Singapore now has Avoidance of Double Taxation Agreement on income from operating ships or aircraft in international traffic with 7 countries.

UNITED KINGDOM

Country Correspondent:

Ms Jas Sahni

CHILD TRUST FUND PROPOSALS PUBLISHED

Detailed proposals for the Child Trust Fund (CTF) were published on 28 October 2003. As the Chancellor announced in the 2003 Budget, each child born on or after 1 September 2002 will receive an initial endowment of £250 rising to £500 for the poorest children.

Amongst the measures announced on 28 October 2003:

- The Government will make a further payment when children are seven years of age. The amount of this payment will be confirmed at a later date.
- Family and friends will be able to contribute up to £1200 a year between them to the fund.
- It will not be necessary to make a specific claim for the CTF – access will be through the child benefit system.
- Providers will be able to offer a variety of accounts. However all providers must offer a stakeholder account – a low cost risk-controlled equity account.
- All income and capital growth will be tax exempt.
- Special arrangements will be made for children in care.

The fund will help to build up a stock of assets for the young person to reinvest or use when they reach 18 years of age, giving them added security and opportunity in adulthood.

5.9 Million Families Now Benefiting From Tax Credits

New figures published on 31 October 2003 by the Inland Revenue show that the take-up of tax credits has been a huge success. There are now 5.9 million families benefiting. This means that, after just over 6 months, tax credits are reaching 98% of those expected to receive them in the whole of the first year.

The statistics also illustrate that, at 3 October 2003:

- Nearly 60% more families are benefiting from help with childcare costs: 286,000 families.
- Over 85% of Child Tax Credit awards are paid to the woman, as the main carer of children in the family.
- Over 10 million children are now benefiting from the new tax credits.

Do It online And Get Up To £825 Tax Free!

From May 2004, large employers must start paying tax and other deductions electronically. And they must start sending end of year returns online by May 2005. Employers who are medium-sized in 2006 must start online filing by May 2006. Small employers do not have to start online filing until later. But those who start filing online early can get up to £825 tax-free from the Revenue over five years, starting with 2004-05 end of year returns.

From 3 November 2003, the Inland Revenue is writing to 1.6 million employers to tell them whether they are a large employer (250 or more employees), a medium-sized employer (50 -249 employees), or a small employer (fewer than 50 employees).

'Online filing' means sending information direct to the Inland Revenue's computer, cutting out paper. It is secure and quick, and more reliable and more efficient than using paper.

Electronic payment is a quicker, more secure way of making payment over the Internet, or over the phone, or using other electronic payment methods.

Employer-Supported Childcare

The Government announced on 10 December 2003 that the tax and National Insurance treatment of employer-supported childcare would be reformed from April 2005. The new arrangements will add to the existing tax and National Insurance exemption on workplace nurseries, encouraging employers to help their staff to meet the cost of good quality childcare. Employers will be able to contract direct with a nursery, childminder or after-school club on behalf of their staff and the benefit-in-kind of the provision – up to £50 a week – will be tax and National Insurance free. Or they can provide childcare vouchers to employees free of tax and National Insurance, again up to £50 a week, which their employees will be able to use for registered childcare or approved home-childcare.

Currently employees are exempt from both tax and National Insurance when an employer provides a place in a nursery that they wholly or partially fund and manage (a "workplace nursery"). The announcement extends the tax and National Insurance exemption to the direct

provision of childcare (employer-contracted childcare) and childcare vouchers subject to the following rules:

- The childcare used must be either registered childcare or approved home-childcare - this is in line with the Government's commitment to only support safe, good quality care.
- The exemptions will be limited to £50 a week to ensure that they are affordable and fairly targeted.
- To qualify for the exemption employers will have to ensure that where childcare schemes operate they are generally accessible to all staff.

The Government believes that this measure will, over time, increase the financial help available to 100,000 working families through employer childcare support schemes.

