



Communiqué of BRICS Heads of Tax Authorities Meeting issued in Hangzhou on 27 July 2017

We, the Heads of Tax and Revenue of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa held a meeting in Hangzhou on 27 July 2017 to discuss the potential areas of cooperation and exchange opinions and views based on our existing commitment to openness, solidarity, equality, mutual understanding, inclusiveness and mutually beneficial cooperation, as stated in the Goa Declaration issued on 16 October 2016 and echoed in the theme of the 2017 Xiamen Summit "BRICS: Stronger Partnership for a Brighter Future" so as to earnestly implement the leaders' consensus and strengthen our partnership.

We will continue our support to all international initiatives towards reaching a modern, globally fair and universally transparent tax system. In this regard we reiterate our commitment to the actions taken to promote interconnected growth and to ensure the fairness of the international tax system, particularly towards shaping and implementing the G20 tax agenda, multilateral tax cooperation and capacity building of developing countries.

In accordance with the above, we conducted the meeting with the primary objective of promoting international tax cooperation and exchanging relevant knowledge and experience in these areas.

Implementation of G20 Tax Agenda

We remain concerned about the world's economic slow-down and cross-border tax evasion and avoidance that undermine resource mobilisation and the fairness of the tax system, and reaffirm our determination to work together to address and resolve these concerns and to curtail aggressive tax avoidance.

We acknowledge our common understanding that profits should be taxed in those jurisdictions where the activities generating those profits are performed and where value is created.

In this regard, we agree on continuing to share experiences on the measures we take to address the challenges in implementing the outcomes of the G20 tax reform. We remain committed to the facilitation of economic growth, as well as the timely, consistent and widespread implementation of the BEPS Project

outcomes and call upon all relevant jurisdictions to join the Inclusive Framework on BEPS on an equal footing. We support monitoring the progress of BEPS implementation, with due regard to the four minimum standards. We acknowledge the first signing round of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS that took place on 7 June 2017.

We confirm that as BRICS countries best represent emerging and developing economies, we will contribute actively to the consistent implementation of the G20 tax agenda through BRICS coordination to enhance tax certainty.

Multilateral Tax Cooperation

We recognize the significance of strengthening multilateral tax cooperation for BRICS countries in order to improve tax compliance and protect our tax base. In this respect, we signed the Memorandum of Cooperation between the BRICS Tax Authorities.

We believe that BRICS countries should continue to proactively support and facilitate multilevel cooperation, including policy coordination, tax administration cooperation, the harmonization of interaction between tax authorities and taxpayers as well as dispute resolution procedures.

We will continue to support multilateral tax cooperation, to develop effective communication, to further enhance position coordination as well as to identify holistic and consistent approaches to overcome challenges, achieve goals and facilitate consensus.

We recognize the key role of the exchange of information between competent authorities in preventing cross-border tax evasion and in designing a fairer and more transparent international tax system. In this regard we reiterate our endorsement for the global Common Reporting Standard for the Automatic Exchange of Information on a reciprocal basis. We commit without delay to implementing the Common Reporting Standard and to start exchanging information at the latest by September 2018. We call upon those jurisdictions that have not yet signed and ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters to do so.

Capacity Building

We are convinced that building and developing a globally fair and modern tax system calls for the involvement of as many jurisdictions as possible. The key role of taxation in sustainable economic development has been attracting

extensive attention globally. Developing countries continue to face serious challenges in their tax administration capacity.

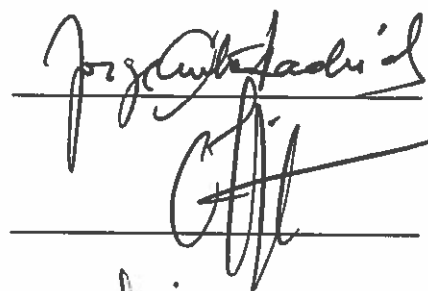
In this regard, we have reached basic agreement on how to implement the consensus reached at the G20 Hangzhou and Hamburg Summits on capacity building in the tax area and have drafted cooperation programmes for capacity building and experience sharing between BRICS countries and for other developing countries. We welcome the Inclusive Framework encouraging deeper engagement of developing countries in international tax cooperation. We should make profound efforts to implement the G20 tax reform outcomes and to respond to the various obstacles against international tax cooperation in spite of economic difficulties.

We commit to continuously promote ongoing exchange and cooperation so as to jointly enhance our own tax capacity while at the same time providing effective and sustainable technical assistance to other developing countries. In this regard, we will contribute by hosting tax training programmes for BRICS countries and other developing countries at the training centers in BRICS countries.

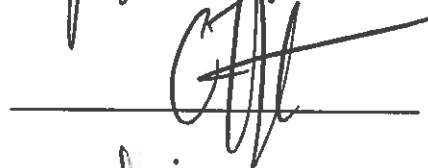
The common understanding outlined above has been summarized in the Memorandum of Cooperation between the BRICS Tax Authorities signed today.

Signed in Hangzhou on 27 July 2017.

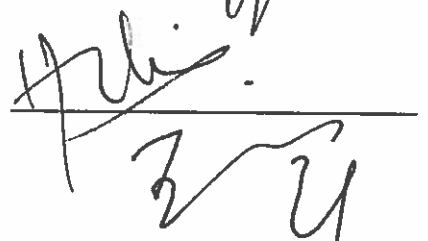
On behalf of Secretariat of the Federal
Revenue of the Federative Republic of Brazil



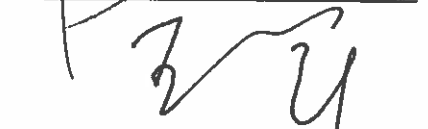
On behalf of Federal Tax Service of
the Russian Federation



On behalf of Department of Revenue of the
Ministry of Finance of the Republic of India



On behalf of State Administration of
Taxation of the People's Republic of China



On behalf of South African Revenue Service of
the Republic of South Africa

