

## **BIAC Tax Committee Leadership meets with Indian and Chinese Tax Authorities to Address the G20/OECD Project on Base Erosion and Profit Shifting (BEPS)**

**March 1, 2014 Paris** -- The week of 24 February, a BIAC delegation from the Taxation and Fiscal Affairs Committee met in New Delhi and in Beijing with the Indian and Chinese tax authorities, respectively, to discuss the G20 OECD BEPS project. As key members of the G20, China and India will play a critical role in the project (as will the Brazilian government with whom a BIAC delegation met last October).

In New Delhi, with the support of the US India Business Council, the BIAC delegation met with Mr. Raj Tewari, incoming chair of the Central Board of Direct Taxes, and Mr. Akhilesh Ranjan, the Indian Competent Authority. The delegation also met with Dr. Partho Shome, Special Adviser to the Finance Minister and Chair of the Tax Administration Reforms Commission (TARC). Both meetings were very open and constructive and the BIAC delegation made clear that it is committed to making the BEPS project work to meet the concerns of all governments involved, while at the same time keeping at the forefront of everyone's mind the broader goal of continuing to encourage cross border trade and investment that will provide jobs and growth. In this respect the delegation also discussed the avoidance of double taxation and the enhancement of dispute resolution (one of the BEPS action items). The delegation was encouraged in both meetings by statements that the Indian government is anxious to expedite the resolution of existing disputes, and look for ways to minimise new ones arising, perhaps building on the Forum on Tax Administration's "Cooperative Compliance" programme. BIAC was invited to submit ideas to the Indian tax authorities on this issue, and will do so shortly.

In Beijing the delegation met separately with Mr. Tizhong Liao, Director General of the SAT International Tax Department, and with a senior group of SAT officials led by Mr. Wenqin Wang, Mr. Liao's Deputy Director General. Again, BIAC emphasised its commitment to making the BEPS project work, and the discussions ranged over a number of BEPS topics, including information reporting and the digital economy. The delegation was greatly encouraged by SAT's close engagement with business, and balanced views on all of the issues discussed. Additionally, BIAC agrees with SAT and the Indian Tax Authorities that many of these difficult issues cannot be fully "solved" in the next 18 months, but will require further work beyond that to reach sensible, consensus-based results.

Will Morris, Chair of the BIAC Tax and Fiscal Affairs Committee said: *"We are very grateful to both the Indian and Chinese governments for such constructive engagement on these important issues. China and India are key members of the G20, and will play a critical role in the outcomes of the BEPS project. We are greatly encouraged by their deep involvement in the project and by their desire to take the time to reach consensus-based solutions to these difficult issues. BIAC very much hopes that, with both governments, this will be the start of an on-going dialogue on BEPS and international tax issues."*

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