



**Communiqué of BRICS Heads of Revenue Meeting**  
**issued in Mumbai on December, 6<sup>th</sup> 2016**

We, the heads of 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 on December 5<sup>th</sup> and 6<sup>th</sup>, 2016 in Mumbai 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 October 16, 2016.

We will continue our support to all international initiatives towards reaching a globally fair and universally transparent tax system. In this regard we reiterate our commitment to the actions taken to ensure the fairness of the international tax system particularly towards prevention of base erosion and shifting of profits, exchange of tax information 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.

**Combating Base Erosion and Profit Shifting**

We remain deeply concerned with the process of erosion of the tax base by aggressive tax practices including incomplete disclosure of information, and reaffirm our resolve to work together to address these concerns.

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

In this regard we welcome the measures outlined in the various action points of the Base Erosion and Profit Shifting (BEPS) Project. We urge the timely and consistent implementation of the Base Erosion and Profit Shifting Project across as many tax jurisdictions as possible. We welcome the establishment of the Inclusive Framework on BEPS and appeal to all countries to join the framework

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and participate in the BEPS project at an equal footing. We also support monitoring of the global implementation of the project, the four minimum standards in particular.

We reaffirm our commitment to keep exchanging valuable experience and share best practices in combating base erosion and profit shifting. We are aware of the challenges put forward by cross border activities and once again reaffirm our commitment to support such international initiatives aimed at intensifying international cooperation and enhancing tax transparency. In this regard we agree to regularly exchange relevant information concerning the BEPS Action Plan and to keep working towards a common approach to these issues.

### **Implementing the Automatic Exchange of Information**

We are constantly progressing towards enhancing the transparency of our tax systems. In this regard we reiterate our endorsement for the global Common Reporting Standard for the Automatic Exchange of Information on a reciprocal basis. We recognize the importance of the exchange of information between competent authorities in preventing cross-border tax evasion and we resolve to exchange information, both on request and on automatic basis and to adopt global standards on tax transparency.

We confirm our previously agreed commitment to implement the Common Reporting Standard and begin exchanging information automatically with each other by 2018 at the latest. We call upon those countries that have not yet signed and ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters to do so. We welcome the proposal made for the development of objective criteria to identify non-cooperative tax jurisdictions with respect to tax transparency.

We reaffirm our resolve to cooperate closely to tackle any potential challenges, both domestically and internationally, that may delay the implementation of the CRS (Common Reporting System).

### **Extending the reach of tax cooperation and building capacity**

We are convinced that effective tackling of issues of the international tax agenda calls for global involvement of as many countries as possible. In this

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regard we welcome the Inclusive Framework encouraging deeper engagement of developing countries in the international tax cooperation.

We commit to work closely with each other and also with developing countries to facilitate and deepen their involvement in the BEPS project as well as to share best practices in international tax cooperation.

We endorse the efforts made by the international community to provide appropriate technical assistance to those countries in overcoming challenges of combating tax evasion. We also reaffirm our resolve to support developing countries in increasing their tax administrations' capacity in implementation of the Automatic Exchange of Information.

### **International Tax Cooperation**

We reaffirm our continued commitment to promote closer cooperation on issues of mutual concern and common interest.

We recognize the importance of the economic and commercial links between Brazil, Russia, India, China and South Africa and the need for us to contribute to the strengthening of these links. We will continue to work towards developing a framework of cooperation between our administrations to contribute to the economic growth of the BRICS countries.

Signed in Mumbai on December 6, 2016.

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

On behalf of the Federal Tax Service of the Russian Federation

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

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

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

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