

MEMORANDUM OF COOPERATION

BETWEEN

**THE SECRETARIAT OF THE FEDERAL REVENUE OF THE
FEDERATIVE REPUBLIC OF BRAZIL,**

**THE FEDERAL TAX SERVICE OF THE
RUSSIAN FEDERATION,**

**THE DEPARTMENT OF REVENUE OF THE
MINISTRY OF FINANCE OF THE
REPUBLIC OF INDIA,**

**THE STATE ADMINISTRATION OF TAXATION OF THE
PEOPLE'S REPUBLIC OF CHINA**

AND

**THE SOUTH AFRICAN REVENUE SERVICE OF THE
REPUBLIC OF SOUTH AFRICA**

PREAMBLE

The BRICS Revenue administrations (the Secretariat of the Federal Revenue of the Federative Republic of Brazil, the Federal Tax Service of the Russian Federation, the Department of Revenue of the Ministry of Finance of the Republic of India, the State Administration of Taxation of the People's Republic of China and the South African Revenue Service of the Republic of South Africa), hereinafter jointly referred to as the “Participants” and in the singular as a “Participant”;

UNDERLINING their commitment to openness, solidarity, equality, mutual understanding, inclusiveness and mutually beneficial cooperation, as stated in the Ufa Declaration issued on 9 July 2015;

NOTING that the 2016 G20 Hangzhou Summit underscored the importance of making tax policy being more growth-friendly and supported international tax cooperation to achieve a globally fair and modern international tax system to promote growth and tax certainty;

RECALLING the Communiqué of BRICS Heads of Revenue Meeting in Mumbai on 6 December 2016, in particular their support to initiatives towards reaching a globally fair and universally transparent tax system.

BELIEVING that cooperation among Participants in tax dispute settlements, taxpayer rights protection and high quality tax services could build a friendly environment for trade and investment to foster economic growth;

REAFFIRMING the desire to strengthen the capacity of the Participants through the sharing of relevant information, experience and initiatives and the development of a structured framework for cooperation;

BELIEVING that such cooperation would serve common interests and contribute to the modernisation of processes, legal frameworks, information technology, and enhancing staff capacity of the respective Participants for efficient and effective realization of each Participant’s mandate;

HAVE REACHED THE FOLLOWING UNDERSTANDING:

1. COORDINATION IN INTERNATIONAL FORUMS

The Participants will enhance the coordination and interaction in the institutions of global governance by:

- a. coordinating positions on priority work of the G20 tax agenda, including the implementation of the standards of the Base Erosion and Profit Shifting (BEPS) Project and the Standard for Automatic Exchange of Information;
- b. deepening the collective involvement of BRICS countries in international tax issues under the framework of the United Nations as well as other international economic organisations;
- c. seeking further interaction and cooperation with non-BRICS countries and international organisations and forums in matters of global tax governance.

2. CAPACITY BUILDING

The Participants will promote the cooperation on capacity building by:

- a. arranging short-term expert visits between BRICS countries in the form of roundtables, seminars or workshops on international tax issues;
- b. providing technical assistance, within available resources, to developing countries by organising training seminars, expert visits and technical advice in line with identified needs;
- c. making better use of limited resources of BRICS countries for capacity building, including hosting training programs for tax officers from BRICS countries and other developing countries in training centers of BRICS countries.

3. KNOWLEDGE SHARING

The Participants will strengthen the exchange of knowledge and experience by:

- a. exchanging experience and best practice with regard to on-going

implementation of the BEPS deliverables and the Standard for Automatic Exchange of Information, as well as other general information about tax administration and enforcement;

b. enhancing people-to-people exchanges, further stimulating interaction among BRICS countries and strengthening mutual understanding and friendship;

c. identifying new areas of cooperation through regular communication at different levels;

d. exploring opportunities to cooperate on evaluation of economic and fiscal effects of tax policy.

4. REGULAR INTERACTION

The Participants will form a mechanism of the meetings of the heads and experts of BRICS Revenue Administrations each year wherein the revenue authority of the chair country will host such meetings. The experts meeting will be held before the heads of revenue administrations meeting to discuss contemporary and relevant issues of international taxation.

5. GOVERNANCE

a. The Participants will appoint contact persons to send and receive requests made under this Memorandum on behalf of the BRICS revenue administrations, the heads of revenue administrations or their authorised representatives.

b. The Participants will identify their specific areas of interest for cooperation, including activities that need to be carried out and their durations.

c. Details of cooperation programs will be specified in annual work plans approved in signatures by the Participants in the Meeting of Heads of BRICS Revenue Administrations.

6. COSTS

a. Each Participant will bear its own costs arising from the implementation of this Memorandum unless specifically agreed otherwise.

b. The host Participant of the activities under this Memorandum will be responsible for providing administrative assistance such as venues and any other services deemed necessary and within the ambit of this Memorandum.

c. Notwithstanding the provisions of sub-paragraphs 1 and 2, the Participants may agree on funding and financial arrangements in relation to any project under a specific area of cooperation related to this Memorandum.

7. CONFIDENTIALITY

a. Information exchanged under this Memorandum will be accorded protection and confidentiality similar to the same kind of information under the domestic law of the Participant supplying the information. Restriction in use of information will be notified in writing to the Participant receiving that information.

b. The provisions of sub-paragraph 1 will not apply in respect of information that is: public knowledge without the involvement of either Participant; or knowledge allowed to be disclosed by the supplying Participant.

8. CONSULTATIONS AND AMENDMENTS

a. If any difficulties in the implementation or interpretation of this Memorandum arise, any Participant may request consultations to develop appropriate measures to ensure the fulfillment of this Memorandum.

b. This Memorandum may be amended by the mutual written agreement of the Participants. Unless otherwise agreed upon, such an amendment will enter into effect upon signatures by the Participants.

9. TERM OF AGREEMENT

a. This Memorandum will enter into effect upon signatures by the Participants.

b. This Memorandum will remain in effect until terminated in accordance with sub-paragraph 3.

c. Any Participant may terminate this Memorandum by means of a

notification addressed to each of the other Participants. Such termination will become effective on the first day of the month following the expiration of a period of three months after the date of the notification of termination.

d. If this Memorandum is terminated and in the case a Participant withdraws, the participants shall remain bound by the provisions of Section 7 with respect to information obtained under this Memorandum. All requests received up to the effective date of termination shall be dealt with in accordance with the terms of this Memorandum.

e. This Memorandum will not be treated as an international agreement and will not give rise to any rights or obligations stipulated by the international law.

SIGNED at Hangzhou on the 27th Day of July, 2017.

Secretariat of the Federal Revenue of the
FEDERATIVE REPUBLIC OF BRAZIL

Federal Tax Service of the
RUSSIAN FEDERATION

Department of Revenue of the Ministry of Finance of the
REPUBLIC OF INDIA

State Administration of Taxation of the
PEOPLE'S REPUBLIC OF CHINA

South African Revenue Service of the
REPUBLIC OF SOUTH AFRICA
