

**BRICS HEADS OF
TAX AUTHORITIES FORUM
GOVERNANCE FRAMEWORK**

PREAMBLE

The BRICS Heads of Tax Authorities, **ACKNOWLEDGING** the role of taxation in providing BRICS governments with resources to build and sustain capable states, to foster sustainable economic growth and social development,

ACKNOWLEDGING further that tax cooperation amongst BRICS members is critical to progress on tax matters that includes the taxation of multinational enterprises, tackling tax evasion and illicit financial flows,

ASPIRING to strengthen their capacity to participate constructively and influence the outcomes of international debates,

RECOGNISING the value and importance of sustaining a systematic approach to their engagement with a view to identifying the most efficient means of generating consistent and optimum outcomes,

RECOGNISING further the need to set clear agendas to guide tax cooperation in respect of people, data and technology and formalise decision-making structures and procedures to drive implementation of such decisions in their respective states,

HEREBY AGREE to adopt the BRICS Heads of Tax Authorities' Governance Framework.

1. PURPOSE OF THE GOVERNANCE FRAMEWORK

1.1 The purpose of the Governance Framework is:

- (a) To formalise the establishment of the BRICS Heads of Tax Authorities Forum (hereinafter – the Forum).
- (b) To formalise the procedure for the development of the annual collaborative tax work programme and the handover process.
- (c) To formalise the rules for decision-making.

2. PRINCIPLES UNDERPINNING THE GOVERNANCE FRAMEWORK

- 2.1 Collaborative work executed by the Forum must be conducted with strong focus towards execution.
- 2.2 Collaborative work conducted by the Forum must be selected and executed in terms of the annual work plan.
- 2.3 Collaborative work executed by the BRICS Heads of Tax Authorities must be data and result driven.
- 2.4 Work must be executed in accordance with project management principles and best practices.
- 2.5 As far as practically possible, working groups executing work in terms of the work plan must be multi-disciplinary to garner the benefits of diversity of thought.

3. ESTABLISHMENT, MEMBERSHIP AND CHAIRING OF THE FORUM

- 3.1 The Heads of Tax Authorities constitute the Forum.
- 3.2 Participation in its meetings is reserved for Heads of Revenue or Tax Authority (Commissioner Level) from BRICS member countries, supported by their experts in the field.
- 3.3 In case of unavailability of a member of the Forum to participate an alternate at the level of Deputy Head of Tax Authority can represent the relevant Tax Authority at the Forum's meeting.

3.4 The country hosting the BRICS Summit will hold the chair of the Forum for that year.

3.5 The country hosting the BRICS Summit will host an in-person meeting of the Forum annually.

4. SECRETARIAT

4.1 The Tax Authority of the country hosting the BRICS Summit will provide the secretariat for the Forum for the year in which it is designated to host the BRICS Summit.

4.2 Each member must establish a national focal point responsible to coordinate and facilitate national implementation of the Annual Work Plan in support of the Secretariat.

5. MANDATE OF THE FORUM

5.1 The mandate of the Forum is:

- (a) To deepen technical cooperation amongst member states in tax administration.
- (b) To advance the digital transformation of tax administration in member states.
- (c) To advance the implementation of digital revenue authorities in member states.
- (d) To harmonise and align approaches to tax amongst members where practical.
- (e) To align tax thinking and the position of member states regarding tax to enable them to make constructive contributions to and influence outcomes in the international sphere.

6. FUNCTIONS OF THE FORUM

6.1 In giving practical effect to the mandate, the functions of the Forum are:

6.1.1 To maintain the core tax strategy for BRICS.

6.1.2 To approve the Annual Work Plan to implement BRICS tax cooperation strategies.

6.1.3 To monitor progress made in implementing the Annual Work Plan and recommend corrective action where required.

6.1.4 To prepare the BRICS Tax Progress Report for submission to the BRICS Finance Ministers meeting.

7. THE ANNUAL WORK PLAN

7.1 Towards the beginning of the calendar year, the Secretariat of the country hosting the BRICS Summit must prepare the consolidated Annual Work Plan working collaboratively with the focal points in the member states.

7.2 The Annual Work Plan comprises the following tax workstreams:

7.2.1 People

- (a) BRICS Tax Capacity Building
- (b) Women in Tax (WIT) Network (Terms of reference attached and marked **Annexure A**)
- (c) Young Tax Professionals Working Group (Terms of reference attached and marked **Annexure B**)

7.2.2 Data

- (a) Taxpayer Service
- (b) Tax Enforcement

7.2.3 Technology

- (a) Innovation
- (b) Modernisation

7.2.4 Each functional focus in a work stream will be organized into projects approved by the Forum as part of the Annual Work Plan.

7.2.5 The insights produced in the work streams will be disseminated through a case study publication and shared during a handover session with all participating countries.

8. HANDOVER OF SECRETARIAT FUNCTIONS FROM THE CURRENT TO THE NEW ROTATIONAL CHAIR

- 8.1 With a view to ensuring the smooth handover from the current to the new rotational Chair of the Forum, the current Chair must in advance of the new calendar year:
- (a) Provide a handover report that addresses, at the least:
 - (i) Progress made in implementation of the Annual Work Plan including any activities that need to be taken forward.
 - (ii) Lessons learnt during the current Chairship.
 - (iii) Recommendations on how to improve implementation of and /or the Annual Work Plan.
 - (iv) The contact list of focal points.
 - (b) Schedule a meeting with the new rotational Chair to discuss the handover report.

9. RESOURCES

- 9.1 All Tax authorities will bear their own costs arising from the implementation of the Annual Work Plan and participation in the Forum.
- 9.2 The country hosting the meeting will provide the meeting venue, logistics including simultaneous interpretation during the meeting as well as translation of the main text of the meeting Communiqué (excluding meeting report, action plans and so forth).
- 9.3 Participating countries should provide copies of presentations in English which is a working language of the Forum.

10. TERMS OF AGREEMENT

- 10.1 This Framework and the related strategic arrangements thereof will be subject to the current laws and regulations of the Parties, as well as their international obligations.
- 10.2 This Framework and its implementation arrangements do not affect the rights and obligations arising from other bilateral, multilateral or international agreements that have been or will be signed and approved by the Parties.

10.3 This Framework does not constitute, nor is intended to be a legally binding agreement or arrangement. It does not create any legally binding obligation, whether expressed or implied. It only serves as a record of multilateral understanding and intentions of the Parties.

Signed in Moscow, Russia, on 26th of September, 2024. in the English language. The original copy shall be deposited at the FTS of Russia, which will provide BRICS tax authorities with its copy.

TERMS OF REFERENCE

BRICS WOMEN IN TAX NETWORK (WIT Network)

ESTABLISHED

At the BRICS Heads of Tax Authorities Meeting 9 November 2023

DURATION

Until terminated by either one of the Parties

UPDATES

(To be determined)

PREAMBLE

Acknowledging that in the rapidly changing digital economy, the tax function will continue to evolve, while its strategic decision-making position will remain as important as ever for tax administrations to succeed in implementing equitable tax systems and enable sustainable development,

Recognising that the rapidly changing digital economy creates new opportunities for tax administrations and the tax function will continue to evolve toward a more automated business function led by a new generation of tech-savvy professionals,

Recognising the role of women in tax and the use of innovations and new technologies to overcome inequalities in the digital age,

Accepting that many of the talent management strategies that worked in tax administrations in the past are no longer optimal and the demand for a more flexible approach to talent management is far greater than before,

Recognising the need to recruit, manage and promote very different tax professionals of tomorrow in this digital world,

BRICS tax authorities commit to encourage and strengthen professional cooperation between Women in Tax through a network that will work to highlight the contributions of women in tax.

1. ESTABLISHMENT, PURPOSE, AND SCOPE OF THE WIT NETWORK

- 1.1 The BRICS Heads of Tax Authorities hereby establishes the BRICS Women in Tax (WIT) Network hereinafter referred to as the WIT.
- 1.2 The purpose and scope of the BRICS WIT Network is to establish an innovative community of practice with a bias towards execution amongst female tax professionals to encourage and influence them constructively as stewards of tax administrations.

2. MANDATE OF THE WIT NETWORK

The mandate of the WIT Network is to encourage cooperation between women in tax on the journey towards the digitalised revenue authority.

3. FUNCTIONS

- 3.1 The functions of the WIT network are:
 - (a) To conduct joint research on gender aggregated data to unlock the world of tax from the eye of tax administration data.
 - (b) To develop reasoned positions on tax policy, tax morality, tax administration, service, taxpayer education, tax enforcement, the digitalised tax agency, and its needs.
 - (c) To share, consolidate and record best tax practices.
 - (d) To engage constructively in organised workshops and/or round tables in the following areas:
 - Women in the economy and how the tax environment could be one of the levers that could assist in economic inclusion.
 - Benefits of gender diversity in tax.
 - Initiatives to empower and promote women in tax.
 - Career advancement for women
 - Success stories of women who have excelled in the tax industry.

4. MEMBERSHIP

- 4.1 Membership of the BRICS WIT is open to full-time employees of BRICS tax authorities.
- 4.2 WIT Network leads shall be duly appointed from within BRICS Tax Authorities annually, upon endorsement of their respective Authority Heads and communicated to members by the BRICS Tax Workstream Focal Points.
- 4.3 These leads will serve as the central focal point for member's authorities to coordinate wider participation by WIT professionals within their authorities in the work of WIT.
- 4.4 The appointment of leads and any changes to its membership shall be formally communicated between the respective BRICS Tax Work stream Focal Points.

5. OPERATION OF THE WIT NETWORK

- 5.1 All communication between BRICS WIT Network members shall be coordinated through the WIT Network Leads.
- 5.2 The BRICS WIT shall meet on virtual platforms, preferably quarterly under the Chairship of the WIT lead from the BRICS Chair, aligned to annual rotation of the Chairship.
- 5.3 This does not exclude any additional meetings that may be agreed on by WIT Network and Leads with the consent of their respective Principals.
- 5.4 Respective Principals shall remain free to attend any session of the BRICS WIT Network to observe proceedings and provide relevant mentorship as may be deemed necessary.
- 5.5 Member of the BRICS WIT network shall be permitted to seek such external professional advice as may be deemed necessary to support participation in the WIT Network.
- 5.6 By mutual agreement, experts that are not members of the BRICS WIT Network may be invited to participate and to contribute as and when required. The participation of experts and non-members will be at the invitation of the WIT Network Chair and for the time required.

- 5.7 Decisions, products, and outputs of BRICS WIT Network meetings shall be consensus based.

6. GOVERNANCE IN THE WIT NETWORK

- 6.1 The WIT Network must table the Plan of Action annually to the chair of the BRICS tax work stream to ensue overall alignment.
- 6.2 The WIT Network shall report against the Plan of Action at the annual Tax Experts and Heads of BRICS Tax Authorities meetings.

7. RESOURCES REQUIRED

- 7.1 Virtual meetings are encouraged; logistics and agendas are to be agreed timeously for ease of effectiveness.

TERMS OF REFERENCE

BRICS Young Tax Professionals Working Group (YTPWG)

ESTABLISHED

At the BRICS Heads of Tax Authorities Meeting 9 November 2023

DURATION

Until terminated by either one of the Parties

UPDATES

(To be determined)

PREAMBLE

Acknowledging that in the rapidly changing digital economy, the tax function will continue to evolve, while its strategic decision-making position will remain as important as ever for tax administrations to succeed in implementing equitable tax systems and enable sustainable development,

Recognising, that the rapidly changing digital economy creates new opportunities for tax administrations and the tax function will continue to evolve toward a more automated business function led by a new generation of tech-savvy professionals,

Accepting that many of the talent strategies that worked in tax administrations in the past are no longer optimal and the demand for a more flexible approach to talent management is far greater than before,

Recognising the need to recruit, manage and promote very different tax professionals of tomorrow in this digital world,

BRICS tax authorities commit to encourage cooperation between young tax professionals through a working group that will work to highlight the contributions of emerging talent and young leaders.

1. ESTABLISHMENT, PURPOSE, AND SCOPE OF THE YTPWG

- 1.1 The BRICS Heads of Tax Authorities hereby establishes the BRICS Young Tax Professionals Working Group (YTPWG) hereinafter referred to as the YTPWG.
- 1.2 The purpose and scope of the BRICS YTPWG is to establish an innovative community of practice with a bias towards execution amongst young tax professionals to encourage and influence them constructively as stewards of tax administrations.

2. MANDATE OF THE YTPWG

The mandate of the YTPG is to encourage cooperation between young tax professionals on the journey towards the digitalised revenue authority.

3. FUNCTIONS

3.1 The functions of the YTPWG are:

- (a) To conduct joint research.
- (b) To develop reasoned positions on tax policy, tax morality, tax administration, service, taxpayer education, tax enforcement, the digitalised tax agency, and its needs.
- (c) To share, consolidate and record best tax practices.
- (d) To align tax positions, where possible.
- (e) To present coherent positions in other international fora that present the positions of the collective whilst respecting national positions.
- (f) To engage constructively in organised workshops and/or round tables.

4. MEMBERSHIP

4.1 Membership of the YTPWG is open to full-time employees of BRICS tax authorities that are 35 years of age and/or younger.

- 4.2 Young Tax Professional leads shall be duly appointed from within BRICS Tax Authorities annually, upon endorsement of their respective Authority Heads and communicated to members by the BRICS Tax Workstream Focal Points.
- 4.3 These leads will serve as the central focal point for members authorities to coordinate wider participation by young professionals within their authorities in the work of the YTPWG.
- 4.4 The appointment of leads and any changes to its membership shall be formally communicated between the respective BRICS Tax Workstream Focal Points.

5. OPERATION OF THE YTPWG

- 5.1 All communication between BRICS YTPWG members shall be coordinated through the Young Tax Professional Leads.
- 5.2 The YTPWG shall meet on virtual platforms, preferably quarterly under the Chairship of the Young Tax Professional lead from the BRICS Chair, aligned to annual rotation of the Chairship. This does not exclude any additional meetings that may be agreed on by the Young Tax Professional Lead with the consent of their respective Principals.
- 5.3 Respective Principals shall remain free to attend any session of the BRICS YTPWG to observe proceedings and provide relevant mentorship as may be deemed necessary.
- 5.4 Members of the BRICS YTPWG shall be permitted to seek such external professional advice as may be deemed necessary to support participation in the BRICS YTPWG.
- 5.5 By mutual agreement, experts that are not members of the BRICS YTPWG may be invited to participate and to contribute as and when required.
- 5.6 The participation of experts and non-members will be at the invitation of the YTPWG Chair and for that for the time required.
- 5.7 Decisions, products, and outputs of BRICS YTPWG meetings shall be consensus based.

6. GOVERNANCE IN THE YTPWG

- 6.1 The YTPWG must table the Plan of Action annually to the chair of the BRICS tax workstream ensure overall alignment.
- 6.2 The YTPWG shall report against the Plan of Action at the annual Tax Experts and Heads of BRICS Tax Authorities meetings.

7. RESOURCES REQUIRED

- 7.1 Virtual meetings are encouraged, logistics and agendas are to be agreed timeously for ease of effectiveness.