



INDEF



13th Annual Asia-Pacific Tax Forum

Meeting Fiscal Challenges of the Future

Jakarta, Indonesia

23-25 May 2016

Monday, 23 May	
12:00 PM	Bus Departs Hotel Aryaduta to Ministry of Finance Delegates should meet in lobby of Hotel Aryaduta Jakarta
12:15 – 1:00 PM	Registration and Lunch at Ministry of Finance
1:30-2:30 PM	OPENING CEREMONY <u>Welcome Speech:</u> <ul style="list-style-type: none">• Dr. Arisetyanto Nugroho, Rector, Mercu Bauna University and Representative of Co-organizing Committee• Prof. Dr. Bambang Brodjonegoro, Minister of Finance, Republic of Indonesia <u>Keynote Speech:</u> H.E. Muhammad Jusuf Kalla, Vice President, Republic of Indonesia
2:30-2:50 PM	GROUP PHOTO

<p>2:55-3:05 PM</p>	<p>Speech: Introduction to the 13th Asia Pacific Tax Forum (APTF) and International Conference on Tax, Investment, and Business</p> <p>Mr. Daniel Witt (ITIC)</p>
<p>3:05-4:15 PM</p>	<p>PANEL DISCUSSION: FISCAL POLICY CHALLENGES OF MIDDLE INCOME STATUS</p> <p><i>As many countries in the Asia-Pacific region “graduate” to middle income status – e.g. Thailand, Indonesia, China – what concerns and challenges should broad fiscal policy address? And for countries on the path to middle income status, what future challenges should be recognized with policy response available?</i></p> <p><i>How do policymakers balance the challenges of continuing growth while recognizing that labor intensive industry and exploitation of natural resources are less viable as core drivers of the economy? Is there a need for greater concern for the environment as a growing middle class demands better conditions, a different balance for fiscal incentives away from heavy industry and more towards knowledge sectors and enhancement of skills? And how do countries improve tax: GDP ratios while retaining a pro-growth fiscal policy?</i></p> <p>Chair: Mr. Daniel Witt</p> <p>Panel:</p> <ul style="list-style-type: none"> • Dr. Parjono, Deputy Head of Fiscal Policy Office, Republic of Indonesia • Prof. Ben Diokno, former Secretary of Planning, The Philippines • Prof. Didik J. Rachbini, INDEF • Mr. Peter Mullins, Assistant Director of Tax Policy, IMF
<p>4:15-4:30 PM</p>	<p>COFFEE BREAK</p>

<p>4:30-5:45 PM</p>	<p>PANEL DISCUSSION: WIDER STAKEHOLDER COMMUNITY IN TAX REFORMS</p> <p><i>This panel brings together a wider range of stakeholders in the tax policy process from both within and outside Ministries of Finance, to give their perspective on how tax policy is viewed in that wider context. The panel will consider in particular issues of Enhancing Cooperation on International Tax Policy amongst Asia-Pacific (AP) Countries, in the context of global initiatives and regional economic integration in the region.</i></p> <p><i>Greater cooperation and interaction between countries in the region will be necessary to efficiently pursue the policy imperatives discussed in the previous session. Also, as the circle of influence to set international tax policy norms broadens beyond the OECD, and Asia-Pacific countries take on an enhanced role in the G20 and the UN, it will be necessary for countries to better coordinate their approaches. How can Ministries of Finance in the region prepare themselves for such cooperation, and improve coordination with others? Further, the panel will also consider how these initiatives will affect taxpayers in the region.</i></p> <p>Moderator: Mr. Berly Martawardaya, INDEF</p> <p>Panel:</p> <ul style="list-style-type: none"> • Mr. Sumit Dutt Majumder, former Ombudsman, India • Rep. Romero "Miro" S. Quimbo, Committee on Ways and Means Chairman, House of Representatives, Philippines (TBC) • Mr. Rosan P. Roeslani, Chairman, Chamber of Commerce and Industry (Kadin) • Mr. Daniel Wieczynski, Indonesia Country Director, ExxonMobil
<p>7:00-9:00 PM</p>	<p>Dinner Gala</p>

Tuesday, 24 May

Location: Aryaduta Hotel, Jakarta

8:00 – 9:00 AM

Monas 5-6,
Mezzanine Level

PUBLIC SECTOR ROUNDTABLE (Public Sector only)

Chair: Mr. Wayne Barford

TAX ADMINISTRATION CHALLENGES OF THE FUTURE IN THE ASIA-PACIFIC REGION

This presentation discusses the future challenges that are likely to be faced by tax administrations in 2025. It is based on the recent paper by the author that discusses these issues at a global level. It covers future use of technology, the challenges of taxation of the digital economy and increased mobility of capital, human beings and economic activity in the 21st century.

Presenter: Mr. Terry Lutes, Former Assistant Commissioner, US Internal Revenue Service and Director, Global Revenue Management, IBM

<p>9:00-10:30 AM</p> <p>Ballroom, Lobby Level</p>	<p>POLICY DEVELOPMENTS AND NEED FOR COORDINATION IN DIRECT TAXES: ACTION PLAN FOR BEPS AND AUTOMATIC EXCHANGE OF INFORMATION</p> <p><i>The first of two sessions on this key topic will present a current view on the Base Erosion and Profit Sharing (BEPS) developments and the policy issues they raise for both tax administrations and taxpayers in the Asia-Pacific region. This session will focus on the technical aspects of BEPs (particularly Actions 2, 4, 6 and 7), as well as the improved transparency and reporting requirements within BEPS (Actions 11 -13), and improvement of transparency (Actions 14-15). He will also discuss the issues arising from other commitments being made for automatic Exchange of Information (AEOI) and their relationship to Actions 11-13, and provide an assessment of current developments in the region. The panel will speak to the implementation challenges and capacity building/coordination needs in the Asia-Pacific region to meet the requirements.</i></p> <p>Chair: Mr. Brian Arnold, Chairman, AMCHAM Indonesia and Advisor, PwC</p> <p>Presenter: Prof. Lee Burns, University of Sydney</p> <p>Panel:</p> <ul style="list-style-type: none"> • Mr. Asteria Primanto Bhakti, Assistant Minister of Finance for Revenue Policy, Republic of Indonesia • Bawuno Kristiaji, Danny Darussalam Tax Center, Indonesia • Mr. Peter Mullins, IMF
<p>10:30-11:00 AM</p>	<p>COFFEE BREAK</p>

<p>11:00 AM-12:30 PM</p> <p>Ballroom, Lobby Level</p>	<p>POLICY DEVELOPMENTS AND NEED FOR COORDINATION IN INDIRECT TAXES: LONG TERM POLICY APPROACHES, REGIONAL INTEGRATION AND EXTERNAL DEVELOPMENTS</p> <p><i>The second of two sessions on this topic will then shift to indirect taxes. It will examine indirect tax policy approaches for the longer term, the implications of regional economic integration and the rising importance of services in the economies of the region. The presenters will consider and outline approaches on how countries in the region can protect and further grow their indirect tax base, including VAT, excise and customs duty.</i></p> <p><i>The first lead presenter will frame the discussion on the overall approach to indirect tax policy, including a discussion on the benefits of a long term tax policy approach that is implemented over a number of years. He will then consider how the VAT/GST in most countries can be further improved especially at cross border provision of services within ASEAN after further integration within the AEC. The second presenter will speak to the more specific issues around excise duty and customs duty, and will discuss problems / difficulties of earmarked taxes. He will also offer policy approaches to deal with challenges to the tax base from trade in illegal goods, trade within a common market and improvement of customs enforcement.</i></p> <p>Chair: Mr. Sumit Dutt Majumder, Former Chairman Central Board of Customs and Excise, India and Senior Advisor, ITIC</p> <p>Presenters:</p> <ul style="list-style-type: none"> • Mr. Michael Evans, University of Melbourne (Broad Indirect Tax Policy/VAT) • Mr. Oliver Salmon, Senior Economist, Oxford Economics (Excise and Customs Duty) <p>Panel:</p> <ul style="list-style-type: none"> • Mr. Goro Ekanto, Chairman of Center for National Revenues, Fiscal Policy Office, Ministry of Finance) • Mr. Syed Ijaz Hussain, Pakistan
<p>12:30-1:30 PM</p>	<p>LUNCH</p>

1:30-2:45 PM

BREAKOUT SESSIONS

**DEVELOPMENT OF EXCISES AND OTHER
PRODUCT SPECIFIC TAXES**

Ballroom, Lobby Level

This session looks at strategies for the expansion of the tax base of excisable goods and other specific products.

- *Policy considerations for an excise*
- *Identifying and defining the products and product categories*
- *Identifying and defining the tax base options*
- *Examples of products subject to excise taxes across different countries*

In looking at the last item, the session will look at product taxes on automobiles, and discuss such taxes in ASEAN countries as well as the proposals for a luxury tax in India. It will also consider the use of such levies to deal with issues such as environmental degradation and taxation of minerals, such as in Myanmar. What innovative tax and regulatory policies can be considered to correct these negative externalities? How can such policies contribute to other policy goals while maintaining a balance with economic, infrastructure and industrial development goals?

Chair: Mr. Daniel Witt

Panel:

- Mr. Michael Evans
- Mr. Nasrudin Joko, Indonesia
- Mr. Khun Nutthakorn Utensute, Royal Thai Excise, Thailand
- Ms. Neerja Shah, Member Central Board of Excise and Customs, India

TAXATION OF THE EXTRACTIVE SECTOR

Monas 5-6, Mezzanine Level

This session will provide an overview of the current developments at a global level for taxation of extraction of natural resources. It will cover:

- *Approaches and developments at the IMF and the World Bank, including the paper on transfer pricing on the extractive sector*
- *Extractive sector subcommittee of the UN Committee of Experts on Taxation following the full Committee meeting in October 2015*
- *Application of current tax rules in countries to extractive sector companies and service providers*
- *Enhancements in compliance practices to improve relationships between taxpayers involved in the natural resources sector and the tax authorities*

Chair: Mr. Hafiz Choudhury

Presenter: Mr. Peter Mullins

Panel:

- Mr. Fadel Muhammad, Indonesia
- Mr. Christian Runge, Global Business Tax Manager, Shell International

2:45-4:00 PM	BREAKOUT SESSIONS	
<p>INCREASING TAX REVENUE FROM PERSONAL/INDIVIDUAL INCOME TAX</p> <p>Ballroom, Lobby Level</p> <p><i>As Asia-Pacific nations continue to grow at impressive rates, a growing middle class and entrepreneurs/self-employed individuals are a larger part of the economy. How can countries in the region seek to increase revenue from these groups while not disincentivizing economic growth? Is the solution more targeted credits and approaches, combined with more enforcement on the shadow economy?</i></p> <p>Chair: Mr. Wayne Barford, Former Assistant Commissioner, Australia Tax Office</p> <p>Panel:</p> <ul style="list-style-type: none"> • Prof. Lee Burns • Mr. Wisamodro Jati, University of Indonesia • Mr. Kabirul Ezdani Khan, Joint Secretary, Finance Division, Ministry of Finance, Bangladesh 	<p>ADVANCED ISSUES IN GST</p> <p>Monas 5-6, Mezzanine Level</p> <p><i>This session will consider the key technical issues seen in GST/VAT in the AP region. It will look especially at:</i></p> <ul style="list-style-type: none"> • <i>Issues of VAT coordination in the Asia-Pacific region within federations such as India and within trade blocs such as ASEAN.</i> • <i>Complexities arising from VAT/GST on telecommunications, financial services and construction.</i> • <i>VAT/GST on the digital economy</i> <p><i>This session will also consider the possibility of replicating the success of the AEC 2015 Excise Study format and methodology to undertake a similar study for cross border VAT taxation of services</i></p> <p>Chair: Mr. Hafiz Choudhury</p> <p>Panel:</p> <ul style="list-style-type: none"> • Mr. Michael Evans • Prof. Haula Rosdiana, University of Indonesia • Mr. Ma Sivanesan, Deputy Undersecretary (Indirect Tax and GST), Malaysia • Mr. Sumit Dutt Majumder 	
4:00-4:30 PM	COFFEE BREAK	

<p>4:30 – 5:30 PM</p> <p>Ballroom, Lobby Level</p>	<p>TAX INCENTIVES APPLICATION IN THE ASIA-PACIFIC REGION</p> <p><i>Tax incentives have been a common features in many countries in the region. Based on the broad trends discussed in the two days of the meeting, what are the risks that tax incentives are likely to change? How do countries, balance their goals to attract investment with revenue needs, and how will changes made affect current incentives? Is there a need to consider more targeted measures such as R&D, knowledge economy and higher value added sectors more consistent with middle income status?</i></p> <p><u>Facilitator:</u> Mr. Hafiz Choudhury</p> <p><u>Presenter:</u> Mr. Anggito Abimanyu, Indonesia</p> <p><u>Panel:</u></p> <ul style="list-style-type: none"> • Prof. Lee Burns • Mr. Peter Mullins
<p>7:00-9:00 PM</p>	<p>Dinner and Cultural Program</p>

Wednesday, 25 May

Location: Aryaduta Hotel, Jakarta

9:00-10:15 AM

Ballroom, Lobby
Level

IMPROVING TAX COMPLIANCE IN THE ASIA-PACIFIC REGION: ENFORCEMENT, THE USE OF TAX AMNESTIES AND ALTERNATIVES

This session will examine the experience of enforcement action and the use of tax amnesties in enhancing tax compliance in different parts of the Asia-Pacific region. It will also consider how cooperation between countries and a win-win attitude with taxpayers help manage these costs, and ensure that scarce tax administration resources are applied towards areas of true revenue loss. Panel members will be requested to respond on

- *Experience of administrative actions in enforcement*
- *The use of tax amnesties*
- *Coordination between administration of different tax types (VAT, income tax, excises and customs duty)*

Chair: Mr. Wayne Barford

Presenter: Mr. Terry Lutes

Panel:

- The Honorable Ken Dwijugastead, General Director of Tax, Republic of Indonesia
- Mr. Yustinus Prastowo, Center for Indonesian Taxation Analysis

10:15-11:15 AM

Ballroom, Lobby
Level

PANEL DISCUSSION: TAX RULINGS/SIMILAR ARRANGEMENTS WITHIN REGIONAL ECONOMIC ARRANGEMENTS

This session looks at the recent "State Aid" decisions in the European Union with regard to the rulings regimes in Luxembourg, Ireland and the Netherlands, and considers the lessons for countries in the Asia-Pacific region. While of particular importance within ASEAN and SAARC, the impact of tax concessions granted to specific companies with operations across a wider region should be of interest to all attending countries.

Chair: Nawir Messi, INDEF

Panel:

- Prof. Lee Burns
- Mr. Hafiz Choudhury

11:15-11:45 AM	Coffee Break
11:45 – 12:30 PM Ballroom, Lobby Level	PANEL DISCUSSION: CROSS BORDER VAT/GST ISSUES IN REGIONAL ECONOMIC ARRANGEMENTS <u>Panel:</u> <ul style="list-style-type: none">• Mr. Hafiz Choudhury• Mr. Michael Evans
12:30-1:00 PM	CLOSING SESSION
1:00-2:00 PM	LUNCH