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The g7+ Chaired by Timor-Leste supports the G20 Chaired by Australia in their commitment to assist developing nations in tax

Timor-Leste is the chair of the g7+, 18 fragile and conflict affected Nations from around the globe including 24% of African States. For the first time in history, these nations have a global and unified voice on behalf of the 1.5 billion people that live in situations of conflict and fragility. The g7+ member States and their partners in development, including Australia, endorsed the 'New Deal' in 2011 at the Fourth High Level Forum for Aid Effectiveness held in Busan, Republic of Korea. The New Deal includes five priority areas for development called the Peacebuilding and Statebuilding Goals which includes Tax under resource and revenue management. Effective resource and revenue management, including sound tax regimes, is a key priority for the g7+ to building resilient and self-reliant States.

The G20 represents 85 per cent of global GDP and over 75 per cent of global trade. The members of the G20 are diverse and include: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and the European Union. The G20, chaired by Australia, has also made tax one of their ten key priority areas.

In February 2014, the G20 re-affirmed their global commitment to:

- 1. Address tax avoidance, particularly, base erosion and profit shifting to ensure profits are taxed in the location where the economic activity takes place.**
- 2. Promote international tax transparency and the global sharing of information so that taxpayers with offshore investments comply with their domestic tax obligations.**
- 3. Ensure that developing countries benefit from the G20's tax agenda, particularly in relation to information sharing.**

In Mexico City last month, the First High Level Global Partnership for Effective Development Cooperation Meeting was held (GPEDC). The GPEDC represents a milestone step change away from 'aid' to 'cooperation'.



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The Foreign Minister of Australia Julie Bishop represented the G20 in the plenary discussion “Partnering for Effective Taxation and Domestic Mobilization for Development”. The topic included a background document which noted “Abusive transfer pricing, although not illegal, may also be a significant outflow and international transparency and accountability should be scaled up. More coherent and consistent inclusion of poorer countries in debates and decisions is now needed on this tax and development agenda”. Bishop remarked that reforming taxation systems was a key priority area given some developing countries lose more revenue in tax evasion than they receive in foreign aid.

Bishop’s speech followed Australian Treasurer Joe Hockey’s speech representing the G20 in Washington at the World Bank in which he noted “there is world-wide dissatisfaction with tax outcomes.” “We need to make sure there are no gaps between our tax systems and we need to make sure we exchange tax information as a matter of course. Solutions must be global.”

Timor-Leste as the Chair of the g7+, welcomed these remarks from the Australian representatives of the Chair of the G20. Given Australia and Timor-Leste currently have shared resources in the Timor Sea with vast revenue flow, Timor-Leste supports the proposal for both countries to co-initiate and establish a case study on tax information sharing and auditing, with an associated action plan between the g7+ and the G20 to be presented at the G20 summit in Brisbane, Australia in October.

The Minister of State and Spokesman for the Government of Timor-Leste, His Excellency Agio Pereira noted “It is symbolic this year that Australia as Chair of the G20 representing the most developed of nations and Timor-Leste as Chair of the g7+ representing the most vulnerable, can set a new standard and precedent in good international engagement on Tax which can be utilized in our joint efforts to have more efficient and effective Global partnerships for development cooperation.” **ENDS**



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