



**Communiqué of BRICS Heads of Revenue Authorities Meeting**  
**Issued in Johannesburg, South Africa on 21 June 2018**

We, the heads of delegations of the Revenue Authorities of the Federal 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 20-21 June 2018 in Johannesburg to discuss 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 BRICS Revenue Administrations Memorandum of Cooperation signed on 27 July 2017.

We will continue our support for all international initiatives towards reaching a globally fair and universally transparent tax system. In this regard, we reiterate our commitment to the actions taken by G20 to acknowledge digitalisation as the driver of globalisation and, within that context, to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits, exchange of tax information, both on request and automatically, and needs-based capacity building for developing countries.

In accordance with the above, we conducted the meeting with the primary objective of promoting international tax cooperation in the digitalised economy, exchanging relevant knowledge and experience and identifying areas for sustained cooperation. Together, we have identified the need for strengthening cooperation for capacity building to respond more effectively to the far reaching challenges posed by the fourth industrial revolution.

## **Global Tax Developments in the Fourth Industrial Revolution**

We acknowledge the opportunity presented by digitalisation as an accelerator of economic and social development and, in that spirit, commit to respond to tax challenges of the digitalised economy.

We recognise that through the smart use of technology, we will have access to better data and enhanced capabilities to handle and analyse large data sets. New data and new capabilities bring better systems that may reduce the costs of tax administration.

At the same time, we recognise the challenges and capacity constraints that accompany the journey towards digitalisation which include ensuring the equitable and inclusive design of new tax policies, tax administration strategies and practices, as well as privacy and cybersecurity concerns and new avenues for fraud, which call for continuing international cooperation, coordination and regulation as information flows increase.

### **Multilateral Tax Cooperation**

We recognize the significance of strengthening multilateral tax cooperation for BRICS countries in order to improve tax compliance, enhance the quality of exchange of information and protect our tax base.

We recognize that collaborative effort is necessary to successfully detect tax evasion and avoidance schemes.

To that end, we reaffirm our commitment to keep exchanging valuable experience, share best practices and, where appropriate, conduct joint research, joint training and the exchange of staff to promote learning.

## Capacity Building

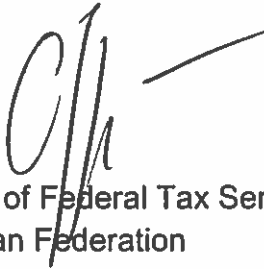
We acknowledge that building tax capacity to address the opportunities and challenges associated with the Fourth Industrial Revolution is critical to successful tax administration in the digitalised economy.

Therefore, with a view to enhancing cooperation in building tax capacity, we agree to the establishment of the BRICS Capacity Building Mechanism.

Signed in Johannesburg on 21 June 2018.



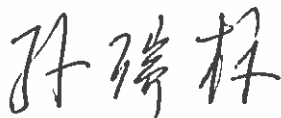
On behalf of Secretariat of the Federal  
Revenue of the Federative Republic of Brazil



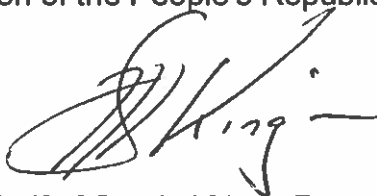
On behalf of Federal Tax Service of  
the Russian Federation



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



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



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