

Asia Region Funds Passport

Tax Reference Group

Terms of Reference

Objectives

Discuss and develop an understanding of the taxes and tax arrangements in each Asia Region Funds Passport economy which could be relevant to funds and investors participating in the Asia Region Funds Passport. This includes but is not restricted to:

- Public disclosure of potential tax obligations in a clear and understandable manner in English;
- Building an understanding of the:
 - Distribution channels for Passport Funds that may create a taxable presence for Passport Funds and Passport Operators in a Host Economy;
 - Taxes applying to foreign investors, Passport Operators and Passport Funds to identify potential tax differences in tax treatment; and,
 - Tax compliance arrangements which may pose challenges to the implementation and use of the Passport generally or in any individual participating economies either by investors or Passport Operators.

Membership

Economies

- All Asia Region Funds Passport Working Group economies plus economies in the broader workshop group invited to join with the agreement of all members of the working group.

Organisations represented

- Combination of organisations currently represented on the Passport working group plus tax experts.
 - Such that experts on the Passport arrangements and tax are available to provide their respective expertise.
 - This would also assist to ensure production of deliverables in agreed timeframes.

Scope

Information collection

For each Tax Reference Group member economy:

- Identify all tax obligations imposed on Passport Operators and their local agents, investors in domestic and foreign Passport Funds and any other parties the working group considers appropriate.
- Ascertain whether a foreign Passport Operator or Passport Funds, through their normal course of business in a Host Economy, such as engaging a distributor(s), could be assessed as having a taxable presence in that Host Economy.
- Identify any circumstances in which a member economy imposes different taxes or tax requirements for domestic and foreign Passport Funds and the manner in which the member economy does so.
- Ascertain how information on relevant tax obligations on foreign investors, Passport Operators and Passport Funds is made available publicly currently and the form in which that information is made available.

Disclosure

- Consider the optimal form for the public disclosure of information specifying relevant tax liabilities with the aim of ensuring that the information is presented consistently and clearly in all member economies.
- Consider the appropriateness of disclosing information specifying relevant tax liabilities in all member economies on a single public website.

Deliverables

- Use the Asia Pacific Financial Forum benchmarking research to compile information on relevant tax liabilities in relevant economies in a consistent and readily understood manner for direct incorporation into the proposed guidance.
- Based on the Asia Pacific Financial Forum research, develop options, if necessary, for consideration by affected member economies, for the resolution of any instances where:
 - a member economy imposes different tax requirements for domestic and foreign Passport funds; or
 - there are identified tax issues that may pose challenges to the implementation and use of the Passport by investors and Passport Operators.

Timelines

- Report from Asia Pacific Financial Forum to the tax reference group by February 2016.
- Options for the disclosure to investors (domestic and foreign) of taxes and tax requirements in each of the participating economies by March 2016.
- Compiled official information on relevant tax obligations in relevant economies to be finalised by mid-2016.