



MINISTRY: FINANCE REPUBLIC OF SOUTH AFRICA

Media Statement by the Minister of Finance

Signing of the Convention on Mutual Administrative Assistance at the G20 Summit

South Africa today joined 12 other countries in signing the Convention on Mutual Administrative Assistance in Tax Matters at the G20 Summit in Cannes, France.

The Convention seeks to promote international co-operation between revenue administrations in the assessment and collection of taxes. It will also encourage administrative co-operation in combating tax avoidance and evasion.

The Convention was developed jointly by the Council of Europe and the OECD and opened for signature by member states of both organisations on 25 January 1988. The Convention was opened for signature by other countries on 25 May 2010. Until today's Ceremony of Signature, 21 countries have signed the revised Convention.

The benefit for South Africa in signing the Convention is that our country, through the South African Revenue Service, will automatically have the benefit of exchange of information, simultaneous tax examinations (audits) between revenue administrations of different countries, assistance in recovery and measures of conservancy, and the service of documents with other parties to the Convention.

In the current global economic context, the G20 has placed specific emphasis on the importance for better international co-operation amongst revenue authorities as cross border tax avoidance and evasion have become easier with the liberalization of financial markets.

The international response to the global financial crisis that began in 2008 and the sharp decline in revenue in many countries, including South Africa, has been to secure the integrity of financial systems through common, high standards of transparency and the exchange of information between countries.

The signing of the Convention is an important step by G20 leaders that will enable signatories to better address revenue losses in an exceptionally challenging environment.

South Africa has signed the Convention today together with Argentina, Australia, Brazil, Canada, China, Germany, India, Indonesia, Japan, the Russian Federation, Saudi Arabia and Turkey.

ENDS.

Further information on the Convention on Mutual Administrative Assistance in Tax Matter is available at the following links –

<http://www.oecd.org/ctp/eoi/mutual>

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