Tax transparency in Africa 2021
Recent developments at a glance

More than $80 billion are estimated to escape the African continent each year in the form of illicit financial flows (IFFs).

These IFFs deprive African countries of important resources to achieve their ambitious development goals.

The economic downturn resulting from the COVID-19 crisis increased budgetary pressure on governments and highlighted the importance of domestic resource mobilisation (DRM).

Tax transparency and exchange of information (EOI) for tax purposes have a crucial role to play in helping countries fight tax evasion and other IFFs to generate much needed revenues.

32 African countries are now members of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Yaoundé Declaration, a call for action to enhance DRM by tackling IFFs, has 31 signatories (incl. the African Union Commission).

These countries expanded their EOI networks and the amount of EOI requests sent is increasing steadily. In 2020, for the first time, African countries sent more requests than they received.

Improved EOI infrastructures help African countries collect more revenues. In total, since 2009, EOI enabled them to identify over EUR 1.2 billion of additional revenues (tax, interest & penalties).

Interest in automatic exchange of financial account information is also growing. Five countries have started exchanging; Morocco and Kenya committed to start in 2022 and Uganda by 2023.

The Global Forum and its partners, among which the African Tax Administration Forum plays a key role, will continue to provide support, build capacities and foster skills transfer to advance tax transparency in Africa. 1 300 African officials were trained in 2020.