GLOBAL FORUM ON
**TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES**

# Tax Transparency in Africa 2021

## Africa Initiative Progress Report

African Union

AFRICAN TAX ADMINISTRATION FORUM
FORUM SUR L'ADMINISTRATION FISCALE AFRICAINE

OECD
BETTER POLICIES FOR BETTER LIVES

# The Africa Initiative, its members and partners

**Given the high levels of illicit financial flows from African countries, and recognising the potential of tax transparency and exchange of information to raise resources for development, African members of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) attending its plenary meeting on 28 October 2014 in Berlin decided to create an African focused programme: the Africa Initiative. The objective was to unlock the potential of tax transparency and exchange of information for Africa by ensuring that African countries are equipped to exploit the improvements in global transparency to better tackle tax evasion.**

Focusing on Africa enables the identification of specific approaches and the provision of tailored support to address the specific needs and priorities of African countries to grow their capacity in exchange of information. The Africa Initiative's work fits into broader agendas, as tax transparency is an opportunity to stem illicit financial flows and increase domestic resource mobilisation, which are central to the African Union Agenda 2063 and the Sustainable Development Goals.

The Africa Initiative was launched as a partnership between the Global Forum, its African members and a number of regional and international organisations and development partners: African Tax Administration Forum, *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales*, World Bank Group, France (Ministry of Europe and Foreign Affairs) and the United Kingdom (Foreign, Commonwealth & Development Office).

Initially set up for a period of three years (2015-2017), the Africa Initiative was renewed for a second phase (2018-2020) in November 2017 at the Global Forum plenary meeting held in Yaoundé, Cameroon, and recently for a third phase (2021-2023) at its 8$^{th}$ meeting held on 29 September – 2 October 2020.

With encouraging first results, additional development partners joined the Africa Initiative: the African Union Commission, the African Development Bank Group, the European Union, Norway (Norwegian Agency for Development Cooperation), Switzerland (State Secretariat for Economic Affairs) and the West African Tax Administration Forum.

The Africa Initiative is open to all African countries[1] and currently has 32 African member jurisdictions. It is supported by 11 partners and donors. The Africa Initiative members meet every year to take stock of the progress made and reflect on the remaining challenges.

An ambitious work programme was agreed to develop and consolidate a culture of transparency and exchange of information on request in African countries, and to progress towards the implementation of automatic exchange of information.

1. Upon joining the Global Forum, African countries become members of the Africa Initiative.

## 32 MEMBERS OF THE AFRICA INITIATIVE

**Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Togo, Tunisia, Uganda**

## 11 PARTNERS AND DONORS OF THE AFRICA INITIATIVE

**African Development Bank, African Tax Administration Forum, African Union Commission, *Cercle de réflexion et d'échange des dirigeants des administrations fiscales*, European Union, France (Ministry of Europe and Foreign Affairs), Norway (Norwegian Agency for Development Cooperation), Switzerland (State Secretariat for Economic Affairs), United Kingdom (Foreign, Commonwealth & Development Office), West African Tax Administration Forum, World Bank Group**

African Union Headquarters in Addis Ababa

# Foreword

Agenda 2063, "The Africa we want" is Africa's blueprint and master plan for transforming Africa into the global powerhouse of the future. It sets out the paths to follow to achieve Africa's aspirations for the future and projects anticipated to boost Africa's economic growth and development and lead to the rapid transformation of the continent. The African Union recognises that curbing illicit financial flows (IFFs) and enhancing domestic resource mobilisation are critical to finance the implementation of Agenda 2063. The need for sustainable domestic resources is further exacerbated by the COVID-19 crisis, which has brought to the attention of governments the urgency of building a strong healthcare infrastructures for their citizens.

Tax transparency and international exchange of information (EOI) among tax administrations is a gateway to address the issue of tax evasion and other IFFs. As an observer to the Global Forum on Transparency and Exchange of Information (Global Forum), the African Union (AU) Commission supports its efforts, together with partners and donors, to ensure that African countries are equipped to benefit from the global improvements in tax transparency, through the Africa Initiative. The "Tax Transparency in Africa - the Africa Initiative progress report" which the AU Commission jointly publishes with the Global Forum and the African Tax Administration Forum (ATAF) is part of these efforts.

Since 2019, the Tax Transparency in Africa report scrutinises the progress of African countries on tax transparency and EOI, compares this progress with that of other regions, analyses main development challenges and puts forward policy recommendations, experiences and good practices. The 2021 edition reports on progress made by African countries (34 countries surveyed) in utilising tax transparency and EOI to tackle tax evasion in 2020.

This report contains six chapters. Chapter 1 recalls how critical tax transparency is in fighting IFFs in Africa. Chapter 2 provides an update of the developments Africa has attained in tax transparency since 2019 and the achievements registered despite the COVID-19 pandemic. Chapter 3 measures the progress African jurisdictions registered in 2020 and for the past six years since the Africa Initiative was launched, on the implementation of tax transparency and EOI standards. Chapter 4 presents "country safaris", which share some country experiences in tax transparency and EOI. Chapter 5 looks forward to the future of tax transparency in Africa and the work the Africa Initiative intends to focus on to address existing challenges and continue translating tax transparency and EOI into more revenues for Africa's development, including in the post COVID-19 era. Finally, chapter 6 provides a snapshot of the tax transparency and EOI measures introduced by the 34 African countries surveyed and the advancement accomplished.

The Tax Transparency in Africa 2021 report reminds us that strengthening African tax administrations' ability to better tackle tax evasion and increase tax revenues is a shared responsibility between decision-makers and tax officials. The former need to be aware of the benefit of tax transparency in the fight against tax evasion and IFFs to take the necessary commitments and provide the needed resources. The latter need to develop their skills and capacity in order to ensure a culture of EOI in tax administrations' operations. On behalf of the AU Commission, I would like to thank all parties involved in the publication of this report which will go a long way to assist African jurisdictions to bring an end to the outstretched hand policy and take responsibility for the transformation of the African continent.

**H.E. Mr Albert M. Muchanga**
Commissioner for Economic Development, Trade, Industry and Mining, African Union Commission

# Preface

The idea of an annual publication on Tax Transparency in Africa was agreed upon by the Africa Initiative members at their 5th meeting held in Accra, Ghana on 25 – 26 July 2018. In its third edition, the "Tax Transparency in Africa" (TTiA) report is now well established as a contribution to the fight against tax evasion and other illicit financial flows (IFFs) in Africa. The report enables African countries participating in the Africa Initiative to take stock of the progress made in meeting their individual targets and commitments to improve tax transparency and the use of EOI. It is jointly published by the Global Forum, the African Union (AU) and the African Tax Administration Forum (ATAF), with the support of other development partners, which contribute to and support the Africa Initiative.

This 2021 edition of the TTiA report (TTiA 2021) measures progress made by 34 African countries in 2020, a year made more challenging by the COVID-19 pandemic that affected all sectors of economy, nationally and globally. The pandemic caused, and continues to cause, untold deaths and has exposed the need for governments all over the world to invest in quality and accessible healthcare and social protection for their citizens. The various containment measures taken by governments to save lives reduced economic activities, affecting individuals and businesses' income, which also mean less revenues to finance public expenditure. Moreover, governments' responses to stimulate the economic activity included tax breaks to individuals and businesses alike, further impacting the tax revenues they could collect from the lower revenues generated by economic activities during the crisis. In this context, the post-COVID-19 recovery by African countries will depend, to a large extent, on the government's ability to improve their domestic resources mobilisation (DRM) efforts to finance their economy and realise the Sustainable Development Goals and the African Union's Agenda 2063.

IFFs, including tax evasion, are among the main obstacles to enhancing DRM in Africa. The past decade has shown that tax transparency and exchange of information for tax purposes (EOI) is a potent weapon for tackling tax evasion and other forms of IFFs such as corruption and money laundering.

The publication of the TTiA 2021 Report is timely contribution to the dialogue on tax transparency in Africa as it highlights the progress made by African countries in benefitting from the global improvements in tax transparency in their DRM efforts. It shows that, even as the COVID-19 pandemic disrupted the world, the Africa Initiative adapted to continue advancing the tax transparency agenda in Africa through enhanced political awareness and capacity building.

Political support is key to combating IFFs using tax transparency and EOI. Decision-makers' understanding of the effectiveness of tax transparency in the fight against tax evasion and other IFFs is fundamental to creating the conditions needed for African countries benefitting from EOI. In addition to ensuring adequate political support, African countries need to establish appropriate infrastructure to implement and benefit from the international EOI standards.

The TTiA 2021 report summarises the main developments on tax transparency in Africa in 2020 driven by the Africa Initiative, its partners and donors. It underlines engagements made on the political front on the continent in 2020 to advance the tax transparency agenda. It also details support initiatives aimed at improving the capacity of African tax administrations on EOI. The TTIA 2021 report provides statistical information on the infrastructure established by 34 African countries to implement the tax transparency standards, namely the standard of exchange of information on request (EOIR standard) and the standard on automatic exchange of financial account information (AEOI standard). It also provides details on how African countries are using the established infrastructure to benefit from the international EOI standards to enhance DRM, through statistics and success stories as well as a snapshot of each country's status on the implementation of the international EOI standards. For example, the report shows that since 2009, EOI has enabled African countries to identify over EUR 1.2 billion of additional revenues (tax, interest and penalties) through offshore tax investigations including exchange of information on request and voluntary disclosure programmes launched prior to the beginning of the implementation of the AEOI standard. The work undertaken by the Africa Initiative has seen this amount increase and it is expected to increase even further as more African countries begin to effectively use the EOI infrastructure they have established. Lastly, the TTiA 2021 report takes note of the challenges that remain to be tackled and outlines key areas of focus in the coming years.

As the first two editions, the TTiA 2021 report is a key information source for citizens of African countries, decision-makers and researchers on African countries' progress on the implementation of the EOI Standards and its impact on DRM.

**Githii Mburu**
Chair of the Africa Initiative
Commissioner General
of the Kenya Revenue Authority

**Zayda Manatta**
Head of the Secretariat
Global Forum on Transparency
and Exchange of Information
for Tax Purposes

**Logan Wort**
Executive Secretary
African Tax Administration
Forum

# Acknowledgements

*Tax Transparency in Africa 2021* is a joint publication by the Global Forum, the African Union Commission and the African Tax Administration Forum. It is the progress report of the Africa Initiative for the year 2020 in which all African members of the Global Forum participate. It also covers six non-member African jurisdictions. The Initiative is supported by donors and partner organisations. This is the third edition of the report with the first and second editions published in 2019 and 2020 respectively.

The authors[1] express their appreciation to the Department for Economic Development, Trade, Industry and Mining of the African Union Commission,[2] the African Tax Administration Forum,[3] the Governance and Public Financial Management Coordination Office of the African Development Bank Group, and the World Bank Group, for adding their weight to this report and for promoting the tax transparency agenda in Africa. The Cercle de réflexion et d'échange des dirigeants des administrations fiscales and the West African Tax Administration Forum also contributed as Global Forum partners to this work.

The authors also thank donor governments who contribute to the funding of the Africa Initiative and the Global Forum Secretariat's technical assistance to African countries on tax transparency and exchange of information. These include the European Union, France (Ministry of Europe and Foreign Affairs), Norway (Norwegian Agency for Development Cooperation), Senegal,[4] Switzerland (State Secretariat for Economic Affairs) and the United Kingdom (Foreign, Commonwealth and Development Office).

The authors are also grateful to officials from the Ministries of Finance and tax administrations of all the 34 African countries, including non-members of the Global Forum, which provided data which formed the basis for producing the report by responding to the Africa Initiative questionnaire. The efforts in gathering the data and their patience in providing further clarifications have been critical to the quality of this report. Finally, the authors acknowledge the jurisdictions which shared their countries' experiences and the officials involved in the preparation of those country cases.[5]

1. The Global Forum Secretariat, in particular Irene Bashabe, Clement Migai, Raynald Vial, Ervice Tchouata and Hakim Hamadi, under the supervision of Zayda Manatta, Head of Global Forum Secretariat.
2. Ndinaye Sekwi Charumbira and Rumbidzai Treddah Manhando under the Supervision of Dr Yeo Dossina, Head of Economic Policy and Sustainable Development, Department of Economic Development, Trade, Industry and Mining.
3. Mary Baine, Thulani Shongwe, Ephraim Murenzi, RC Terblanche (ATAF expert), Nana Akua Amoako Mensah (ATAF expert) under the leadership of Logan Wort.
4. Contribution of the Resource Mobilisation and Investment Attractiveness Institutional Support (PAIMRAI). Project piloted by the Ministry of Finance and Budget of Senegal and supported by the African Development Bank.
5. For Kenya, Joyce Mwangi, Beth Mwobobia, Faith Maina, Felix Osiemo and Ivey Githaiga; for Liberia, Darlingston Talery and David Kekulah Jr.; for Rwanda, Dr. Thierry M. Kalisa, Hajara Batamuliza, Elysee Nyuziwenimana and Vincent Mucyurabuhoro; for Senegal, Amadou Abdoulaye Badiane, Alpha Ngom, Ben Jenkins Sambou and Goumbala Fatou Ly; for South Africa, the South African Revenue Service (SARS); for Tunisia, Lotfi Bouchaala, Afif Jlidi, Olfa Meslameni and Iness Khssibi; for Uganda, Robert Luvuma, Phioner Nangalama and Mary Nalubega.

# Contents

# Abbreviations and acronyms

| | |
|---|---|
| **AEOI** | Automatic Exchange of Financial Account Information |
| **AfDB** | African Development Bank |
| **AMATM** | Agreement on Mutual Assistance in Tax Matters |
| **AML/CFT** | Anti-money laundering/ Counter Financing of Terrorism |
| **ADB** | Asian Development Bank |
| **ATAF** | African Tax Administration Forum |
| **AU** | African Union |
| **BMZ** | German Federal Ministry of Economic Development and Cooperation |
| **CA** | Competent Authorities |
| **CRS** | Common Reporting Standard |
| **CREDAF** | Cercle de Réflexion et d'Échange des Dirigeants des Administrations fiscales |
| **DRM** | Domestic Resource Mobilisation |
| **ECOWAS** | Economic Community of West African States |
| **EOI** | Exchange of information |
| **EOIR** | Exchange of Information on Request |
| **EU** | European Union |
| **FATF** | Financial Action Task Force |
| **GDP** | Gross Domestic Product |
| **Global Forum** | Global Forum on Transparency and Exchange of Information for Tax Purposes |
| **HNWI** | High Net worth Individual |
| **IFCs** | International Financial Centres |
| **IFFs** | Illicit Financial Flows |
| **IMF** | International Monetary Fund |
| **ISM** | Information Security Management |
| **KRA** | Kenya Revenue Authority |
| **MAAC** | Convention on mutual administrative assistance in tax matters |
| **ODA** | Official Development Assistance |
| **OECD** | Organisation for Economic Co-operation and Development |
| **SARS** | South African Revenue Service |
| **SDG** | Sustainable Development Goal |
| **TTiA 2020** | Tax Transparency in Africa 2020 |
| **UEMOA** | West African Economic and Monetary Union |
| **UNCTAD** | United Nations Trade and Development Conference |
| **UNDP** | United Nations Development Programme |
| **UNECA** | United Nations Economic Commission for Africa |
| **URA** | Uganda Revenue Authority |
| **VDP** | Voluntary Disclosure Programmes |
| **WATAF** | West African Tax Administration Forum |
| **WBG** | World Bank Group |

# Executive summary

The *Tax Transparency in Africa* report, published annually, is a key output of the Africa Initiative. It provides comparable statistics on tax transparency as one of African countries' responses to the challenge of illicit financial flows (IFFs) from Africa, estimated to be in the range of USD 50-80 billion annually, and is, therefore, a key information source for decision-makers and citizens.

Thirty-four African countries* completed the survey for this report: **Angola, Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Congo, Eswatini, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Tanzania, Togo, Tunisia, Uganda, Zambia** and **Zimbabwe**.

* All the Africa Initiative members (except Djibouti, Egypt, Namibia and Niger) and six non-members (Angola, Congo, Sierra Leone, Gambia, Zambia and Zimbabwe) responded to the questionnaire.

> *Tax Transparency in Africa 2020 shows significant progress made on the two pillars of the Africa Initiative: (i) raising political awareness and commitment in Africa and (ii) developing capacities in African countries in tax transparency and exchange of information.*

*Tax Transparency in Africa 2021* shows significant progress made on the two pillars of the Africa Initiative: (i) raising political awareness and commitment in Africa and (ii) developing capacities in African countries in tax transparency and exchange of information (EOI).

Engagement at the political level continued in 2020. The African Union Commission joined the Yaoundé Declaration[1], sending a strong signal of its commitment to the Africa Initiative's objective of advancing tax transparency in Africa as a tool for combating illicit financial flows (IFFs) and increasing domestic resource mobilisation (DRM). The African Union Commission also contributed to the publication of Tax Transparency in Africa 2020 (TTiA 2020 report). Fighting IFFs through increased transparency and administrative co-operation is also at the heart of the partnership between the Global Forum and the African Development Bank Group. With the support of the European Union, the Global Forum Secretariat launched a project to improve tax transparency and EOI for members of the Economic Community for West African States and Mauritania. The other partners of the Africa Initiative, including the African Tax Administration Forum and the World Bank Group, have also significantly contributed to increase the political attention to tax transparency.

Much as the COVID-19 pandemic disrupted the world, the Africa Initiative adapted to continue advancing the tax transparency agenda in Africa. The TTiA 2020 report was virtually launched in June 2020. The 8th Africa Initiative meeting was also held virtually from 30 September to 2 October 2020 with the members emphasising how the special circumstances stemming from the COVID-19 crisis had brought to the fore the importance of transparency and EOI in tackling tax evasion and ultimately in assisting African governments enhance DRM. The members extended the mandate of the Africa Initiative for an additional three-year period (2021-2023) with donors reiterating their support. A new governance framework involving the election of a Chair and Vice-Chair from amongst the member countries with a one-year mandate to steer the work of the Initiative and a clear set of goals were agreed upon. Participants called for strengthening the international tax co-operation framework to help developing countries improve DRM through cross-border assistance in recovery of taxes.

In 2020, Mali joined the Global Forum, bringing to 32 the number of Africa Initiative members. Eswatini joined the Yaoundé Declaration, bringing its signatories to 30 African countries plus the African Union Commission (see the list of signatories in Annex C).

*Much as the COVID-19 pandemic disrupted the world, the Africa Initiative adapted to continue advancing the tax transparency agenda in Africa.*

Notwithstanding the disruptive nature of the COVID-19 pandemic, technical assistance, provided in the context of the second pillar of the Africa Initiative, intensified in 2020. Fifteen African countries are currently benefitting from the Induction Programme, a comprehensive programme offered to new members since 2015, including Namibia whose Induction Programme was launched in 2020. In addition, 16 countries benefitted from a tailored assistance to respond to their specific needs. Twelve training events were organised for African countries and attended by close to 1 300 officials (more than in the 2015 – 2019 period) as their virtual delivery allowed a larger participation.

The lessons learned since the TTiA 2020 report are encouraging but important challenges remain. African countries' progress in the use of tax transparency and EOI are uneven. Older members of the Global Forum in general are at an advanced stage of implementation of the standards whereas new members look to put in place the basics.

The setting up of the key elements of a functional EOI infrastructure, such as the establishment of an EOI unit, continues to improve on the continent. The EOI networks of African countries further expanded to reach 3 752 bilateral relationships in 2020, compared to 2 523 in 2019. This was mainly due to the growing number of African countries joining the Convention on Mutual Administrative Assistance in Tax Matters (from 17 to 21 since the TTiA 2020 Report). More African countries can therefore use cross-border exchanged

1. The Yaoundé Declaration was adopted at the 10th plenary meeting of the Global Forum which was held in Yaoundé, Cameroon on 15-17 November 2017. It calls for strengthening African countries' participation in international efforts to stem tax evasion through transparency and EOI. The Declaration, and the list of its signatories, is available at http://www.oecd.org/tax/transparency/what-we-do/technical-assistance/Yaounde-Declaration-with-Signatories.pdf

information in their tax investigations. For instance, the number of EOI requests sent increased by 21% in 2020 even though the number of African countries making requests decreased. African countries became net senders of EOI requests for the first time. The group of African countries which sent more requests than they received rose from five in 2019 to eight in 2020. However, four countries alone accounted for 91% of all outgoing requests while four countries accounted for 90% of all incoming requests in 2020. Another challenge to be addressed is the expansion of the EOI knowledge beyond the EOI unit so that it really becomes a tool to support other tax administration functions.

The increase in the number of EOI requests made by African countries has translated into additional tax revenue. In 2020, two African countries identified over USD 43 million (EUR 34.7 million) of additional tax as a direct consequence of the requests sent. In total, since 2009, EOI has enabled African countries to identify over EUR 1.2 billion of additional revenues (tax, interest and penalties) through offshore tax investigations including EOI on request and voluntary disclosure programmes (VDP) launched prior to the beginning of the implementation of the AEOI standard.

The relevance of the international tax co-operation relies on the effectiveness of the international standards implementation. Six African countries have undergone the second round of peer reviews for exchange of information on request since 2016: Mauritius was rated as "Compliant", Tunisia as "Largely Compliant" and Botswana, Ghana, Liberia and Seychelles as "Partially Compliant". According to the peer review reports, the main issues explaining the "Partially Compliant" rating were in respect of the availability of legal and beneficial ownership information, accounting information and the organisation and processes for a timely exchange of information. The outcome of the ongoing review of four other African countries will give a better sense of where Africa stands. One important goal of the technical support provided by the Global Forum and its partners is to help African countries overcome the challenges by addressing the identified gaps and deficiencies.

The implementation of automatic exchange of information is also progressing. Nigeria started to exchange in 2020 joining Ghana, Mauritius, Seychelles and South Africa. Morocco and Kenya have committed to begin the first exchanges in 2022. The interest in automatic exchange of information continues to grow in Africa. Working with partners, the Global Forum Secretariat continues to provide technical assistance to African countries to help them determine a practical timeline for the implementation of this standard.

Six non-member African countries (Angola, Congo, Gambia, Sierra Leone, Zambia and Zimbabwe) contributed to this Report. The use of EOI in revenue mobilisation is very limited in these countries despite a growing interest in this topic within their respective tax administrations. Joining the global effort and making use of the EOI infrastructure and network as a tool to tackle cross-border tax evasion would provide significant benefits for these countries. Awareness building at the appropriate level remains crucial in Africa.

This Report also provides concrete case studies showing how EOI was useful in tax investigations carried out by several African tax administrations, as well as an "African safari" of countries' initiatives to improve tax transparency and tackle tax evasion.

Looking forward, maintaining a high-level political dialogue on the agenda of tax transparency in Africa, building African countries' capacities as needed, creating a network of EOI ambassadors and working on emerging challenges in tax co-operation, such as facilitating effective cross-border assistance in tax collection and effective use of exchanged data, will continue to guide the tax transparency work in Africa.

# Overview of tax transparency in Africa

In 2020 African countries continued to prioritise EOIR and put in place the essential building blocks for effective participation in EOIR including delegation of competent authority powers, establishing EOI units with appropriate tools and resources and widening their EOI networks. African countries are now sending more requests than they receive, using received information to support their tax audits and investigations and identifying additional revenue. The implementation of the AEOI standard is also picking up on the African continent: Nigeria began its first exchanges in 2020 joining Seychelles, South Africa, Mauritius and Ghana, while Kenya and Morocco have committed to first exchanges in 2022.

## Members of the Africa initiative

Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Togo, Tunisia, Uganda.

## Supporters of the Africa initiative

AfDB, ATAF, AU Commission, EU, CREDAF, WATAF, WBG, France, Norway, Switzerland, United Kingdom.

## Africa in the Global Forum

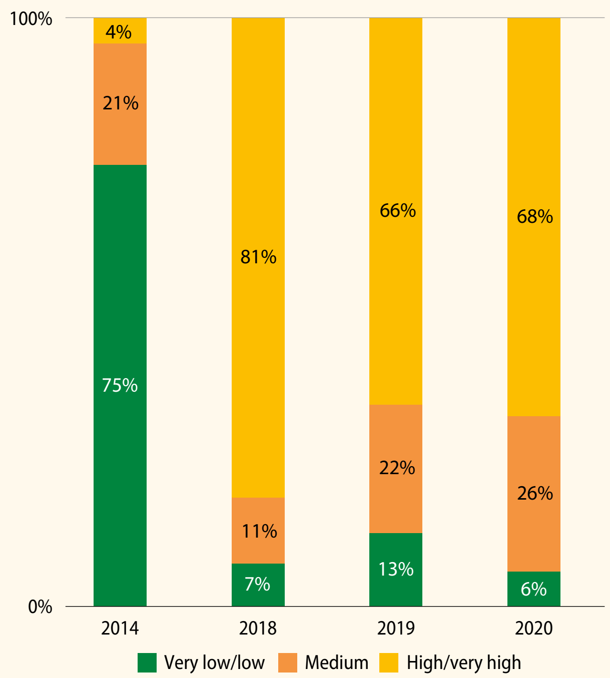
- 32 African countries are members of the Global Forum (+15 since 2014).
- 59% of African countries are members (20% of the Global Forum membership).
- AU Commission, ATAF and AfDB are observers.

## Technical assistance figures in Africa

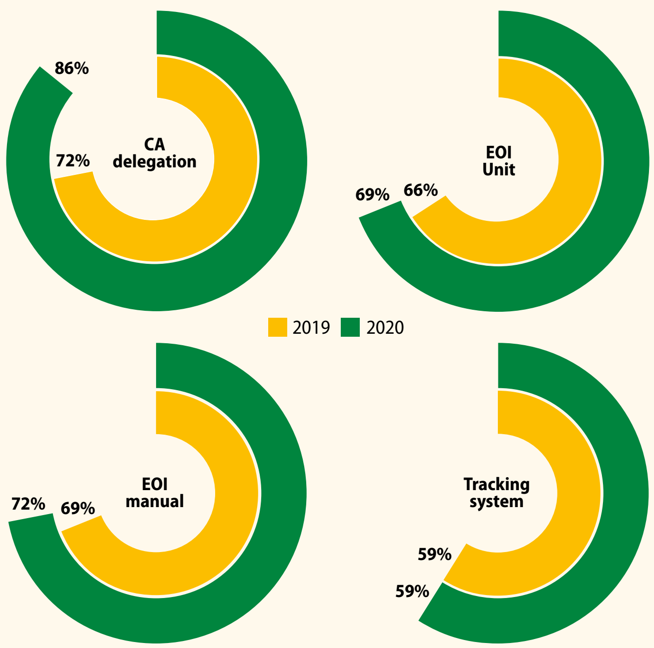
- Fifteen African countries are benefitting from an intensive mentoring programme (Induction programme): Benin, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Guinea, Madagascar, Mali, Namibia, Niger, Rwanda, Tanzania, Togo.
- Tailored assistance to 16 other African countries: Botswana, Burkina Faso, Cameroon, Ethiopia (pre-membership), Gabon, Ghana, Kenya, Lesotho, Mauritania, Morocco, Nigeria, Senegal, Seychelles, Tunisia, Uganda and Zambia (pre-membership).
- 12 training events organised for African countries attended by close to 1 300 officials (more than in the 2015 – 2019 period) as they were delivered virtually allowing more participants.

## EOIR implementation in Africa

EOI remains a **PRIORITY** for African tax authorities. Awareness is still needed in recent members.

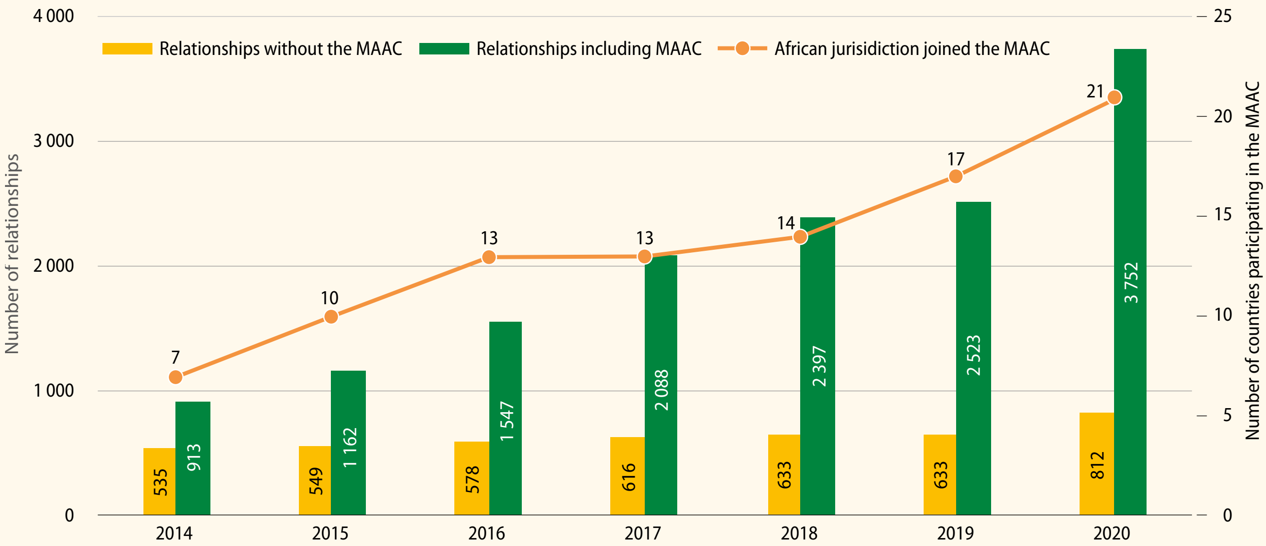



Most of the African members have set up the **CORE ELEMENTS** for effective EOI. Work is ongoing with the recent members to fill the gap.



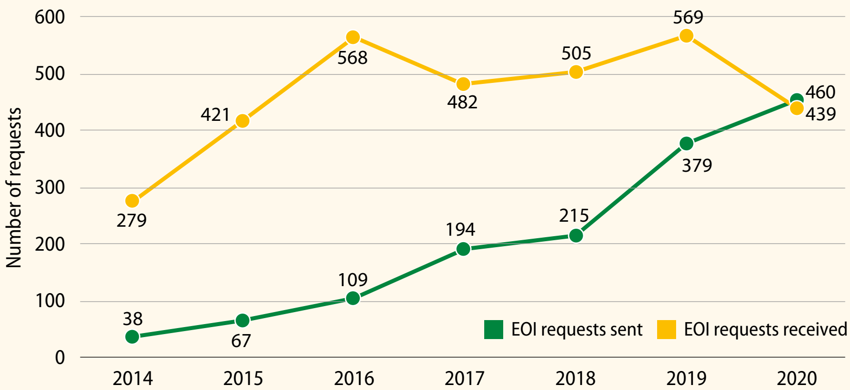
EOI **RELATIONSHIPS** with non-African countries are rapidly increasing with more African countries joining the MAAC.

*Number of EOI relationships created by African countries since 2014*




In 2020 African countries **sent more requests than they received**.

*EOI requests sent and received by African countries since 2014*




The number of EOI requests sent by African countries in 2020 increased by 21%. For the first time, African countries turned the tide in 2020 and became **net senders** of EOI requests. However, most African countries are still behind their potential of EOI. More efforts need to be put into the operationalisation of EOI.

## AEOI implementation in Africa

| Year of first AEOI exchanges | Country |
|---|---|
| 2017 | Seychelles |
| | South Africa |
| 2018 | Mauritius |
| 2019 | Ghana |
| 2020 | Nigeria |
| 2022 | Kenya |
| | Morocco |
| Consideration for a date of first exchanges | Senegal |
| | Tunisia |

## Revenues identified

African countries identified more than **USD 43 million (EUR 34.8 million) in additional taxes** due to EOIR in 2020. Since 2009, EOI has enabled African countries to identify over **EUR 1.2 billion of additional revenues** (tax, interest and penalties).

*Revenues identified as a result of EOIR since 2014, in EUR (millions)*

1

# Introduction: The critical role of tax transparency in fighting illicit financial flows in Africa

Opacity is at the core of illicit financial flows (IFFs) which deprive countries of the much needed resources for their development. Tax transparency is one of the solutions to tackle IFFs as it requires governments to ensure the availability of legal and beneficial ownership information, accounting and banking information, the access to that information and its effective exchange with foreign partners. This allows tax authorities to have a complete picture of taxpayers' affairs to address the issue of tax evasion and enhance domestic resource mobilisation (DRM). Beyond tax evasion, tax transparency is also a powerful weapon against other forms of IFFs such as corruption and money laundering.

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## TAX TRANSPARENCY, ILLICIT FINANCIAL FLOWS AND THE DEVELOPMENT AGENDA IN AFRICA

The issue of IFFs continues to be on top of the development agenda. In Africa, it has a singular resonance as it has been identified as one of the main obstacles to the continent's development.

### *The illicit financial flows undermine Africa's development*

There is a wide range of definitions of IFFs. Although some differences exist among them depending on the approaches and perceptions, most of the definitions consider IFFs as cross-border outflows of money with illegal origin or destination. They are "generated by methods, practices and crimes aiming to transfer financial capital out of a country in contravention of national or international laws".[1]

Africa is severely hit by IFFs due to their intensity and to the size of the resources it is deprived of. The magnitude of the IFFs from Africa has been clearly circumscribed over the recent years. In 2015, the High-Level Panel on Illicit Financial Flows established by the African Union (AU) / United Nations Economic Commission for Africa (UNECA)'s Conference of Ministers of Finance, Planning and Economic Development and led by H.E. Thabo Mbeki, former President of South Africa, released a report titled "Track It! Stop It! Get It!"[2]. The famed Mbeki report highlighted the major components of IFFs from Africa, namely corruption, commercial activities and criminal activities, including tax evasion. It also quantified the scale of IFFs from Africa which it estimated at the minimum around USD 50 billion annually.

Several reports have also pointed out the increasing amount of IFFs from Africa and its negative effect on the continent's development. The African Union Commission's publication "Domestic Resource Mobilization: Fighting against Illicit Financial Flows and Corruption" (2019)[3] recognised that "estimates of these (IFFs) amounts hover between USD 50 and 80 billion annually and seem to be on an upward trajectory". In 2020, the United Nations Trade and Development Conference (UNCTAD) "Economic Development in Africa Report 2020, Tackling Illicit Financial Flows for Sustainable Development in Africa"[4] estimated that Africa loses USD 88.6 billion annually from IFFs and emphasised that curbing this phenomenon could bridge half of Africa's Sustainable Development Goal (SDG)'s financing gap, which is estimated at around USD 200 billion per year. This gap is probably even bigger today given the adverse impact of the COVID-19 pandemic on African economies.

*It is estimated that Africa loses around* ***USD 50 to 80 billion*** *every year in tax evasion.*

The missing opportunity for African countries resulting from IFFs is often illustrated by the comparison with Official Development Assistance (ODA). On average, the amount of ODA received by African countries is at least equivalent to the amount lost through IFFs[5]. IFFs deprive African countries from the much needed resources for development. Their immediate effects are the reduction of the domestic resources which would otherwise be

1. OECD (2014), Illicit Financial Flows from Developing Countries: Measuring OECD Responses, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264203501-en
2. United Nations. Economic Commission for Africa (2015). Illicit financial flows: report of the High Level Panel on illicit financial flows from Africa. Addis Ababa. © UN.ECA. http://hdl.handle.net/10855/22695

3 African Union Commission (2019). Domestic Resource Mobilization: Fighting against Corruption and Illicit Financial Flows. AUC Publishing, Addis Ababa. https://au.int/en/documents/20190905/domestic-resource-mobilization-fighting-against-corruption-and-illicit-financial

4 UNCTAD (2020), Economic Development in Africa Report 2020, Tackling Illicit Financial Flows for Sustainable Development in Africa. https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf

5 African countries received USD 48 billion of ODA annually on average, between 2013 and. For further details see the Mbeki Report (AUC/ECA, 2015), African Union Commission (2019), Domestic Resource Mobilization: Fighting against Illicit Financial Flows and Corruption and UNCTAD (2020), Economic Development in Africa Report 2020, Tackling Illicit Financial Flows for Sustainable Development in Africa.

used to build socio-economic infrastructures such as roads, schools and hospitals. A recent study shows that, in the absence of capital flight, income per capita would be 1.5% higher and the poverty rate nearly 2 percentage points lower in Africa.[6]

The fight against IFFs is so critical to development that the global community took an unprecedented decision in 2015 to include it in the 2030 Agenda for Sustainable Development. Target 16.4 of Goal 16 is "By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime". The African Union equally placed fighting IFFs and strengthening DRM at the top of its agenda, recognising these as critical for the achievement of Agenda 2063, "The Africa we want." Enhancing DRM and curbing IFFs is even more critical within the context of the commencement of trading under the newly established African Continental Free Trade Area (AfCFTA) agreement on 1 January 2021.

Since the Mbeki report in 2015, the AU has been leading the continental efforts to find appropriate solutions to the IFFs issue. Among others, a Consortium to stem IFFs from Africa was established to implement the recommendations of the Mbeki report. Most recently, a Multi-Donor Action supported by the European Union (EU) and the Federal Government of Germany was launched during the AU's Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration held on 1-4 December 2020. This joint action aims at strengthening the coordination of the AU Commission's anti-IFFs policies via relevant pan-African networks.

Among the initiatives to tackle IFFs, tax transparency is now clearly recognised as one of the most relevant solutions.

### *Tax transparency is a powerful weapon to tackle tax evasion and other illicit financial flows*

Transparency is at the heart of the fight against IFFs. The Mbeki Report highlighted that "the importance of transparency is evident in ongoing approaches to tackle IFFs, whether through the automatic exchange of information, country-by-country reporting, project-by-project reporting, disclosure of beneficial ownership, public information about commercial contracts that African governments enter or implementation of the recommendations of the Financial Action Task Force".[7] Developing countries tend to suffer the most from tax evasion.[8] Angel Gurría, the OECD Secretary-General, stated in 2008 that "if taxes on assets hidden by tax dodgers were collected in their owners' jurisdictions, billions of dollars could become available for financing development".[9]

One common denominator to all forms, origin or destination of IFFs is the opacity that surrounds transactions and activities. Transparency is therefore critical to fight tax evasion and other types of IFFs.

### *The tax transparency standards*

The Global Forum promotes and monitors the implementation of two internationally agreed standards on transparency and exchange of information (EOI) for tax purposes. These are the standard on exchange of information upon request (EOIR) and the standard on automatic exchange of information on financial accounts (AEOI). The two standards are complemented by the Base Erosion and Profit Shifting related transparency minimum standards, i.e. the country by country reporting and the exchange of tax rulings.[10] Other forms of EOI include spontaneous EOI, tax examination abroad, simultaneous tax examination and industry-wide EOI.

The EOIR standard requires a tax authority to provide, on request, information to another tax authority that is relevant for that administration to investigate and enforce its tax laws or the provisions of the related tax agreement. This standard is implemented by all of the 162 members of the Global Forum. For an illustration of how the EOIR standard works see Figure 1.

6. Nkurunziza JD (2014), Capital flight and poverty reduction in Africa, in Ajayi SI and Ndikumana L, eds. (2014) Capital Flight from Africa: Causes, Effects and Policy Issues. Oxford University Press. Oxford. Cited in UNTADC (2020) op. cit. p. 33.

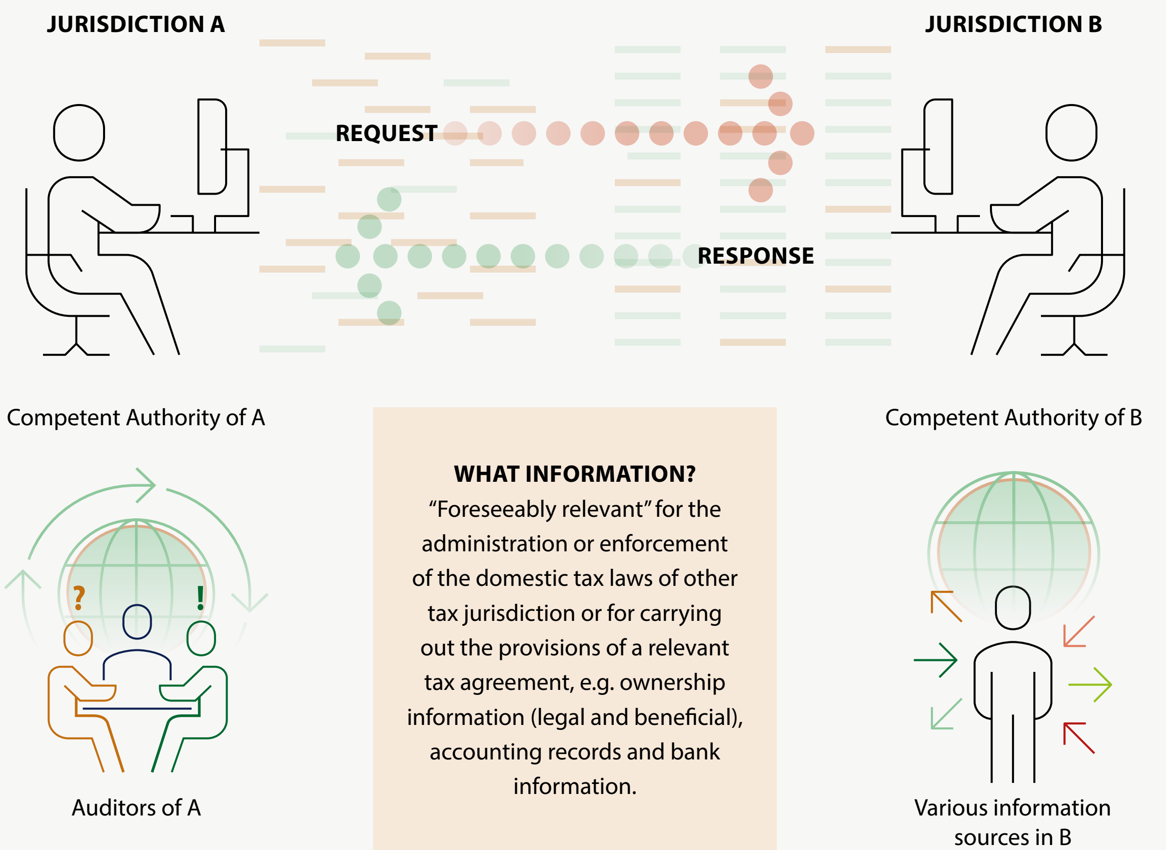
7. AUC/ECA (2015) Track It! Stop It! Get It! Illicit Financial Flows, report of the High Level Panel on Illicit Financial Flows from Africa.

8. Angel Gurría, "The global dodgers", The Guardian, 27 November 2008, www.theguardian.com/commentisfree/2008/nov/27/comment-aid-development-tax-havens

9. Angel Gurría, Ibid.

10. For more on the Base Erosion and Profit Shifting project see www.oecd.org/tax/beps

FIGURE 1. **Exchange of information on request**




The AEOI standard requires financial institutions to report financial account information of non-residents to their tax authorities, who in turn automatically exchange this information with the tax authorities of the account holders' country of residence under the globally-agreed Common Reporting Standard (CRS). The first AEOI exchanges took place in 2017 and over 100 jurisdictions are engaged in AEOI. Figure 2 shows the mechanism of AEOI on financial accounts.

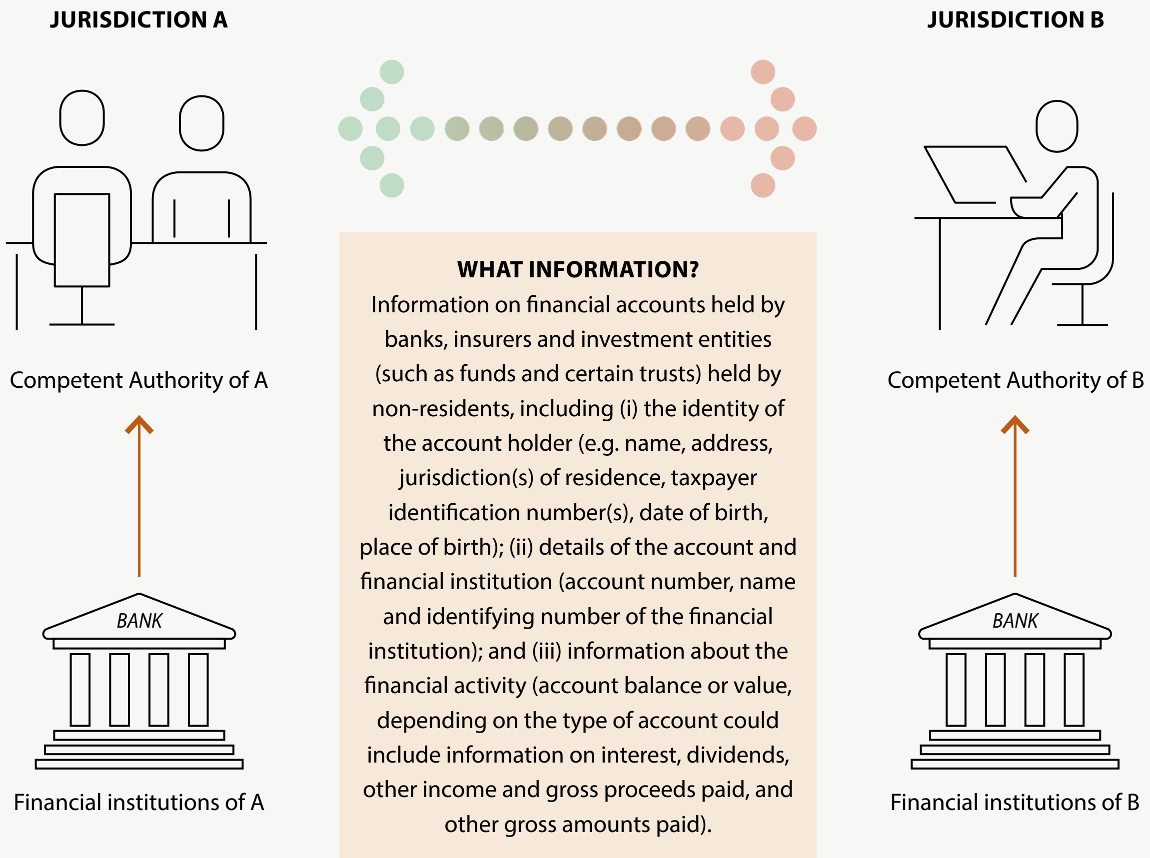
The pillars of tax transparency are the availability of information, the access to the information by competent authorities (CA) and the actual EOI among tax authorities around the world.

The availability of information ensures that individual and corporate taxpayers will not hide their taxable assets or income in foreign countries, for instance behind layers of complex corporate structures or legal arrangements, to avoid paying their fair taxes.

Jurisdictions are required to maintain accurate and up-to-date information on legal and beneficial owners of legal entities and arrangements such as trusts, including in the event bearers shares or nominee arrangements are allowed by the legislation; information on accounting records; and information on bank accounts.

The access to information ensures that the CA are given appropriate powers to obtain any information needed for the administration or enforcement of tax laws, including when such information is needed by a foreign tax administration. Apart from limited instances such as professional secrecy under specific conditions, the holder of the information must provide information when requested (including information held by banks, other financial institutions, nominees, agents and fiduciaries as well as ownership information. Moreover, in the context of AEOI, the information on financial account is collected by financial institutions

FIGURE 2. **Automatic exchange of information on financial accounts**




and transmitted to the tax administration on a periodical basis, without prior request.

The EOI framework allows tax authorities to send each other relevant information upon request, spontaneously or automatically, on the basis of an international legal agreement in force. The information should be exchanged in a timely manner in order to allow the receiving tax authority to use it in its tax compliance activities. Figure 3 summarises the three pillars of tax transparency.

As the tax transparency standards support the fight against cross-border tax evasion, they are relevant for the improvement of tax compliance in general. In fact, enhancing the availability of information or the power of the tax authorities to access the information enables tax administrations around the world to better enforce their legislation at a domestic level. For instance, removing bank secrecy where it exists to comply with the EOIR standard also allows the tax administration to easily access banking information for its domestic purposes.

It is estimated that between 30% and 50% of global Foreign Direct Investment is channelled through offshore shell companies (UNCTAD, 2020 p. 88). By providing clarifications on the ownership structure of entities and arrangements and on cross-border transactions, EOI assists tax authorities in addressing, for instance, the misuse of corporate structures for tax evasion by high net worth individuals.

***The impact of tax transparency in the fight against tax evasion and other illicit financial flows***

Over the past decade, the implementation of the tax transparency standards has narrowed the field of tax evasion by supplying tax authorities around the world with the much needed information to enforce their tax laws. Over 98% of the 70 jurisdictions reviewed which

FIGURE 3. **Pillars of exchange of information**


had bank secrecy restrictions have removed them for the purpose of exchanging information. Over 40 jurisdictions reviewed that allowed bearer shares in the past have either abolished them or introduced adequate custodial or non-custodial arrangements to ensure the availability of information on their owners. The Convention on Mutual Administrative Assistance in Tax Matters (the MAAC) has grown to over 140 participating jurisdictions and creates over 7 700 bilateral EOI relationships. This international legal instrument allows all forms of EOI in line with the international standards.

The progress in the tax transparency environment translates into revenue gains. At least EUR 107 billion in additional revenue (tax, interest, and penalties) has been identified worldwide since 2009 through voluntary disclosure programmes (VDPs) launched against the backdrop of AEOI and offshore tax investigations. Of this amount, EUR 29 billion was reported by developing countries and EUR 10 billion was collected following the information provided in response to over 300 000 EOIR requests received by Global Forum members. Moreover, the intensification of the EOI implementation tends to change tax evaders' behaviours. First studies show a correlation between the commencement of AEOI in 2017 and 2018 and the significant decrease (22%) in foreign-owned bank deposits in International Financial Centres (IFCs) and increased deposits between non-IFCs.[11]

Tax transparency is not only relevant for tackling tax evasion. As the lack of transparency facilitates IFFs, improving transparency for tax purposes reduces the exposure to all forms of IFFs. For example, unveiling the legal and beneficial ownership structures of corporate vehicles and legal arrangements as required by the tax transparency standards also assists the law enforcement authorities to prevent or detect the

11. O'Reilly P., Ramirez K.P. and Stemmer M.A. (2019), Exchange of Information and Bank Deposits in International Financial Centres, OECD Taxation Working Papers, No. 46, OECD Publishing, Paris.

misuse of legal persons and legal arrangements for corruption and money laundering. Moreover, certain requirements of the tax transparency standards overlap with other transparency initiatives. This is the case for the requirement to ensure the availability of beneficial ownership information which now accounts for the Global Forum standards on tax transparency, the Financial Action Task Force (FATF) Recommendations on anti-money laundering and counter financing of terrorism (AML/CFT) and the Extractive Industry Transparency Initiative (EITI) standard for the good governance of oil, gas and mineral resources. For this reason, there have been international calls to strengthen the synergies between the tax transparency and the anti-money laundering and counter financing of terrorism standards.[12]

Although, subject to certain conditions, the EOI international instruments provide for the use of the tax exchanged information for non-tax purposes. Such a wider use of tax exchanged information can help governments to tackle other forms of IFFs.[13] This facilitates the whole-of-government approach in tackling IFFs, in line with the G20 high level principles on beneficial ownership transparency[14] which encourage countries to "ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, tax authorities and financial intelligence units) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal persons".

12. For example, the G20 Finance Ministers and Central Bank Governors called on the FATF and the Global Forum to make initial proposals on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership information, and its international exchange (Communiqués of the G20 Finance Ministers and Central Bank Governors meetings held in Washington D.C. on 13 April 2016 meeting, and in Chengdu, China on 24 July 2016).

13. For example, article 22 (4) of the Convention on Mutual Administrative Assistance in Tax Matters states that notwithstanding the confidentiality provisions "information received by a Party may be used for other purposes when such information may be used for such other purposes under the laws of the supplying Party and the competent authority of that Party authorises such use".

14 Following the G20 Leaders' Declaration from St Petersburg encouraging "all countries to tackle the risks raised by the opacity of legal persons and legal arrangements" the G20 Leaders endorsed at their summit in Brisbane on 15-16 November 2014, the "G20 High Level Principles on Beneficial Ownership Transparency" and committed to leading by example in implementing these agreed principles. The G20 High Level Principles on Beneficial Ownership Transparency are available at http://www.g20.utoronto.ca/2014/g20_high-level_principles_beneficial_ownership_transparency.pdf

## TAX TRANSPARENCY IN THE COVID-19 ERA

The COVID-19 pandemic has brought the world to a standstill. Beyond the many deaths directly caused by it, it has imposed and continues to impose measures that affect the living conditions of everyone and the world economy. The lockdowns, the closing of borders and other unprecedented measures taken by governments around the world to reduce the contaminations have put economic activities on hold in almost all sectors. Available estimates indicate that the pandemic's economic impact on developing countries is going to be far more than that of the 2008 global financial crisis. The African Union Commission forecasted that economic growth in Africa will be in the range of -2.1% to -4.9% in 2020, plunging the continental economy into recession for the first time in 25 years.[15] According to the OECD, the global economy will need two years, by the end of 2021, to recover the global Gross Development Product (GDP) pre-pandemic levels.[16] The economic recession means less wealth creation and less tax revenues for governments. One of the policy responses to the COVID-19 pandemic and the subsequent economic crisis has been to grant exceptional fiscal relief to businesses. This has further deepened the tax gap (the difference between the tax collected and the tax expected), including in Africa where the average tax-to-GDP ratio remains extremely low at 16.5%.[17] In December 2020, the AU Commission recognised that "the emergence of the COVID-19 pandemic has exacerbated the fiscal deficit situation in some African countries, equally bringing to the fore, the urgency to address the vice of the illicit outflows."[18]

The post-COVID-19 recovery depends to a large extent on governments' ability to improve their DRM efforts to finance their economy and build a sustained and inclusive development. In this context, addressing the challenges posed by tax evasion is essential, thus the importance of transparency and EOI.

15 Press Release of the African Union Ministerial meeting of the Extraordinary Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration, 8 December 2020. Available at https://au.int/sites/default/files/pressreleases/39739-pr-stc_press_release.pdf

16 OECD (2020), OECD Economic Outlook, Volume 2020 Issue 2, No. 108, OECD Publishing, Paris, https://doi.org/10.1787/39a88ab1-en

17 OECD/AUC/ATAF (2020), Revenue Statistics in Africa 2020, OECD Publishing, Paris, https://doi.org/10.1787/14e1edb1-en-fr

18 Press Release, 1 December 2020, available at https://au.int/en/pressreleases/20201201/african-union-commission-set-launch-multi-donor-action-against-illicit

The Global Forum, working with partners, encourages and supports African countries to use and benefit from the tax transparency standards. This is the main objective of the Africa Initiative launched in 2014 with African members of the Global Forum. All of the current 32 member countries from the continent participate in this flagship regional programme which drives the political attention on the benefits of tax transparency and fosters the awareness-raising and capacity-building efforts to support African tax administrations in tax transparency. The ultimate goal of the Africa Initiative is to ensure that African countries are able to use EOI to enhance their DRM.

As any other government activity, the co-operation among tax administrations through EOI has been affected by the COVID-19 pandemic. Many members of the Global Forum indicated that their EOI function was diminished due to lockdown measures, as staff were asked to work from home where that was possible. In some jurisdictions, it has not been possible at all to undertake any work as the CA did not have the necessary means for an effective telework. Therefore, most partner jurisdictions were informed that EOI requests might suffer delays, considering the circumstances. Some other jurisdictions reported that they experienced a drop in the number of EOI requests sent by their CA due to the suspension of audit activities of tax administrations. For example, 10 African countries reported that their ability to receive the requests, process them and send the information or their own requests to their treaty partners has been affected by the COVID-19 pandemic in 2020.

The pandemic has also offered an opportunity to improve or test new working methods such as the use of digital technology in the context of telework. This has also concerned EOI, with an increase of EOI requests received and/or responded to through encrypted emails or other secure electronic channels.

# 2

# Developments in tax transparency in Africa since 2019

*In 2020, the COVID-19 pandemic created an unprecedented situation for Africa Initiative Members. In these difficult times, exchange of information continues to be a priority for many African countries because this has been and remains an efficient tool to tackle tax evasion but also to enhance domestic resource mobilisation. Given the extraordinary amounts that governments are spending on COVID-19 rescue packages, there is a need, now more than ever, for tax administrations to consider tax transparency strategically and take appropriate action.*

**Maria José Garde**, Chair of the Global Forum

The COVID-19 pandemic has greatly affected the work of the tax authorities in many jurisdictions, including the activities of the CA and the technical assistance missions planned to support member jurisdictions. While the implementation of the EOI standards has continued throughout 2020, many African jurisdictions have had to rethink their plans. The Global Forum Secretariat has made all efforts to ensure that co-operation in the field of transparency and EOI was not put on hold or scaled back. As a result, the secretariat has had to adapt in order to continue supporting its Africa Initiative members, recognising that the revenues that transparency and EOI help to secure are of even greater importance as the world will need to account for the costs of addressing the pandemic. In light of this, the tax transparency activities within the framework of the Africa Initiative continued in 2020 despite the difficult context.

### THE RENEWAL OF THE AFRICA INITIATIVE'S MANDATE

The 8th Africa Initiative meeting, attended by over 150 delegates from 27 African countries and 20 organisations, was held virtually from 30 September to 2 October 2020. It emphasised how the special circumstances stemming from the COVID-19 crisis had brought to the fore the importance of transparency and EOI in tackling tax evasion and ultimately in assisting African governments to enhance DRM. The meeting also focused on the mandate and governance of the Africa Initiative whose second term was due to end in December 2020. Members of the Africa Initiative unanimously approved the three-year extension of the Africa Initiative for the period 2021 to 2023. This decision paved the way forward for a restructured governance and a clear set of goals for capacity-building activities (see the Statement of Outcomes at annex B). The extended mandate focuses on two main objectives. These are a Core Stage and Enhanced Building Blocks. The Core Stage contains seven elements:

- Set up operational EOI units with adequate resources including delegated CA powers and an EOI internal procedure or manual;
- Define a clear strategy to use EOI as a tool to improve tax audits, sensitise relevant stakeholders and actively make/increase requests with treaty partners;
- Sign and ratify the MAAC;
- Receive a satisfactory rating in the second round of EOIR peer review;
- Commit to AEOI and benefit from technical support including on confidentiality;
- Increase the number of African countries implementing the CRS/AEOI on a practical timeframe;
- Measure the impact and benefit of EOI through periodic collection and tracking of statistical information.

Specific activities to be undertaken in each objective are detailed below in Figure 4.

The members and partners of the Africa Initiative agreed that they would:

- Continue to build political awareness throughout Africa;
- Help new members implement the Core Stage of tax transparency and EOI;

FIGURE 4. **Core Stage and Enhanced Building Blocks for 2021-2023**

| | | | | |
|---|---|---|---|---|
| **I. Core Stage** | **Fundamental actions and objectives for all Africa Initiative members** | | | |
| **II. Enhanced Building Blocks** | **Wider use of EOI data** | **Effective use of AEOI data** | **Cross-border assistance in recovery of tax claims** | **Other areas of interest** |

- Consolidate the progress achieved by members since 2014;
- Increase its efforts on transparency of beneficial ownership information and AEOI;
- Explore with interested members Enhanced Building Blocks, such as the cross-border recovery of tax claims.

In addition, African members committed to play a more active role in the management of the Initiative. In this vein, Mr Githii MBURU, Commissioner General, Kenya Revenue Authority (KRA), and Mr Edward KIESWETTER, Commissioner, South African Revenue Service (SARS), were respectively elected as Chair and Vice-Chair of the Africa Initiative for 2021. Amongst others, they identified the following areas of priority for their term:

- Raising political awareness and creation of consciousness around the potential of transparency and EOI as a tool for combating tax evasion and other forms of IFFs and raising resources for development;
- Conducting an AEOI enrolment campaign aimed at bringing other countries on-board by continuing to encourage commitment to this standard on a practicable time frame for African countries which have the capability to transition to AEOI;
- Building capacity of African countries to help them make effective and greater use of information received as the real benefit of engaging in EOI is using the information to drive compliance;
- Publicising the gains made by African countries through EOI so that other members see the benefit of engaging in EOI.

## BUILDING STRONG POLITICAL BUY-IN TO UNPACK THE BENEFIT OF TAX TRANSPARENCY FOR ALL AFRICAN COUNTRIES

Building strong political buy-in is one of the two strategic pillars that the Africa Initiative underscores in a bid to tap the benefits of tax transparency and EOI in Africa. It aims to raise political awareness on the benefits of tax transparency and EOI in order to gain the necessary commitment from African decision-makers. Despite the pandemic, strong interactions with senior officials and decision-makers continued to take place in 2020. This happened through high-level virtual events as well as meetings with African Ministers, Heads of tax administration and partners during which tax transparency was promoted. In addition, the tax transparency work with African institutions also continued. All these actions translated into concrete steps:

- Four African jurisdictions (Botswana, Eswatini, Namibia and Togo) signed the MAAC and three African jurisdictions (Cabo Verde, Kenya and Namibia) ratified it. As at end of 2020, 141 jurisdictions participate in the MAAC, including 21 African countries;
- Two additional African countries (Morocco and Kenya) announced their commitments to start automatic exchanges in 2022. As at end of 2020, 115 jurisdictions are committed to exchange with a specific timeline, including seven African countries;
- The partnership with the AU Commission and the African Development Bank (AfDB), which promotes the importance of advancing the tax transparency agenda in Africa to fight IFFs and increase DRM, was strengthened;
- The support to the Yaoundé Declaration increased, following the endorsement of the Minister of Finance of the Kingdom of Eswatini and the AU Commission in 2020 which brought to 30 the number of African countries which have added their weight to this call to action for an African agenda to fight tax evasion and other IFFs through tax transparency and EOI.

## CAPACITY BUILDING IN THE COVID-19 ERA

The capacity-building arm is the second major pillar of the Africa Initiative. It aims at creating awareness and delivering quality support to ministries of finance, tax administrations as well as any other bodies that require knowledge in tax transparency and EOI.

Following successful strategies implemented in 2019, the dramatic challenges that 2020 brought in its wake were a force to reckon with. The COVID-19 pandemic and related travel restrictions greatly disrupted planned capacity building activities. As a result, high-level meetings to engage senior officials and policy-makers as well as face-to-face trainings, mock onsite visits and other onsite technical assistance activities, intended to enhance capacities and enable effective implementation of the tax transparency standards, were halted as the year started.

The Global Forum Secretariat's response to the impact of the pandemic was swift. An ambitious COVID-19 Action Plan was set up to ensure the continuity of the capacity-building programme hence keep the jurisdictions up to speed with the tax transparency and EOI. Desk-based work delivered remotely to jurisdictions as part of the skilling process was followed with video conference meetings, to further explain and address any clarity with specific material developed.

In addition, the Action Plan also focused on developing e-learning courses and toolkits for the member jurisdictions which will ultimately strengthen the on-site work when it resumes in the post COVID-19 pandemic period.

To complement the 2019 blended-learning module "Global Forum: Exchange of Information as a Tool to Combat Tax Evasion", which participants are expected to attend prior to other trainings, the Global Forum developed two new e-learning courses in 2020:

- A beneficial ownership e-learning course prepared with the Asian Development Bank (ADB);
- An EOIR e-learning course dedicated to tax auditors and CA officials.

In addition to the Beneficial Ownership Implementation Toolkit[1] released in 2019 with the Inter-American Development Bank, the following new toolkits were developed[2] in 2020:

- A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters.[3] The Toolkit helps jurisdictions set-up a sufficiently wide EOI network, which is critical for effective EOI. It outlines the benefits the MAAC provides as a multilateral legal basis for EOI and offers an overview of its main provisions, its relationship with other treaties and legal instruments, as well as the procedure to join it.
- The Confidentiality and Information Security Management Toolkit[4] to enable more developing countries benefit from AEOI.
- A Toolkit on Establishing and Running an Effective EOI Function[5] with the African Tax Administration Forum (ATAF). The Toolkit assists jurisdictions in establishing or improving their EOI units' operation, by providing policy considerations and guidance on setting up and managing an effective EOI function in order to improve co-operation among tax administrations and better tackle tax evasion.

These e-learning courses and toolkits provide background information and practical solutions to Global Forum members, in particular developing ones, which intend to establish a sound EOI infrastructure and effectively use it in their DRM strategy.
The upskilling from the capacity-building activities undertaken in the context of the Africa Initiative in 2020 resulted into the following:

- An increase of the technical assistance programmes in Africa with 31 African countries benefitting from either an Induction Programme (15), which is a comprehensive technical assistance programme offered to all post-2015 members, or a tailored assistance programme (16) (see Table 1). In 2020, the African region received 37% of all technical assistance support provided by the Global Forum Secretariat.
- A significant increase of the trainings, with 12 trainings attended by close to 1 300 officials (see Table 2). The attendance is more than the one in the whole of the 2015-2019 period.
- In terms of the gender balance, more needs to be done in Africa to increase the percentage of women's participation in capacity-building initiatives.

1. Global Forum Secretariat and IDB (2019), A Beneficial Ownership Implementation Toolkit, available at www.oecd.org/tax/transparency/documents/beneficial-ownership-toolkit.pdf
2. All Global Forum's toolkits are available in English, French and Spanish at www.oecd.org/tax/transparency/documents/key-publications-and-documents.htm
3. The toolkit was prepared with the support of the Secretariat of the Co-ordinating Body of the Convention and the OECD's Directorate of Legal Affairs. Global Forum Secretariat (2020), A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters. available at https://www.oecd.org/tax/transparency/documents/MAAC-toolkit_en.pdf
4. Global Forum Secretariat (2020), Confidentiality and Information Security Management Toolkit, available in English at www.oecd.org/tax/transparency/documents/confidentiality-ism-toolkit_en.pdf
5. Global Forum Secretariat (2020), Establishing and Running an Effective Exchange of Information Function: A joint Global Forum and ATAF Toolkit, available in English at www.oecd.org/tax/transparency/documents/EOI-Unit-toolkit_en.pdf

TABLE 1. **Technical assistance programmes in Africa**

| Technical Assistance programmes | Numbers | Countries |
|---|---|---|
| Induction programmes | 15 | Benin, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Guinea, Madagascar, Mali, Namibia, Niger, Rwanda, Tanzania, Togo |
| Tailored assistance | 16 | Botswana, Burkina Faso, Cameroon, Ethiopia (pre-membership); Gabon, Ghana, Kenya, Lesotho, Mauritania, Morocco, Nigeria, Senegal, Seychelles, Tunisia, Uganda, Zambia (pre-membership) |

While other regions had an average of above 50% female attendance, for Africa female attendance was at a mere 34%. This low average figure was due to one specific seminar with exceptionally low female attendance. Gender parity was achieved for other seminars targeted at African officials (49.6% female).

As the pandemic still rages on, the demand from the Africa Initiative members for assistance keeps growing to enable jurisdictions raise the requisite revenue from domestic resources in the wake of post COVID-19 crisis. In addition, jurisdictions are eager to continue delivering on their commitments in view of upcoming peer reviews on EOIR and AEOI. As a result, the Global Forum Secretariat is desirous to continue the new approaches to capacity building for the Africa Initiative members.

## 2020 FOCUS ON TRANSPARENCY OF BENEFICIAL OWNERSHIP INFORMATION IN AFRICA

Transparency of beneficial ownership is critical to tackle tax evasion and other forms of IFFs. In a bid to support the implementation of a sound framework ensuring availability of and access to beneficial ownership information, actions were taken in 2020 to facilitate knowledge acquisition, experience sharing and interaction on the possible solutions. To that end, tax officials were invited to take the e-learning course on beneficial ownership and the Beneficial Ownership Implementation Toolkit was promoted.

In addition, two beneficial ownership trainings were delivered in 2020 for African countries with one focusing

TABLE 2. **Trainings for African jurisdictions**

| Date | Title | Language | Partner organisation |
|---|---|---|---|
| February 2020 | Seminar on transparency and EOI in Africa | English & French | AfDB |
| April 2020 | Virtual Last mile - EOI as a tool to combat offshore tax evasion – open to all regions | English | ADB |
| April 2020 | Virtual conference on the availability of beneficial ownership information in Africa | French | – |
| May 2020 | Virtual conference on the availability of beneficial ownership information in Africa | English | ATAF |
| June 2020 | Virtual workshop on illicit financial flows | English | ATAF UNECA OECD |
| July 2020 | Virtual workshop on availability of beneficial ownership information in Ghana | English | – |
| August 2020 | Virtual workshop on AEOI for Nigeria | English | – |
| October 2020 | Virtual workshop on the implementation of the beneficial ownership information requirements in Uganda | English | – |
| October 2020 | Virtual seminar on the implementation of the standard for EOIR in Namibia | English | ATAF |
| November 2020 | Virtual Last Mile training on EOI and MAAC for ECOWAS countries and Mauritania | English & French | ECOWAS |
| November 2020 | Virtual workshop on the MAAC for Seychelles | English | – |
| November 2020 | Virtual training on the implementation of the EOI standard with a focus to set up an EOI unit for Zambia | English | ATAF |

on French-speaking countries and the second on English-speaking countries, covering close to 300 participants.

Finally, to support the implementation of Ghana's newly established beneficial ownership registry as well as the beneficial ownership transparency regime in Uganda, country-specific trainings on the topic were organised for Ghana and Uganda to address their specifications regarding the legal framework and its practical implementation. Close to 200 delegates were trained in Ghana while over 60 delegates attended the beneficial ownership training for Uganda. The trainings took a practical approach and enabled the specific understanding of roles of officials in the implementation of beneficial ownership as well as making informed decisions on the relevant legal framework and the appropriate organisation needed to properly ensure the availability of beneficial ownership information for all entities and arrangements.

### TECHNICAL OR COOPERATIVE PARTNERSHIPS TO SUPPORT AFRICAN COUNTRIES

Strengthening DRM efforts and reversing all forms of IFFs from Africa is fundamental to move beyond aid and rely on sustainable internal resources, hence one of the Africa Initiative goals. In this regard, the Africa Initiative rests on strong partnerships to foster the transparency and EOI culture for African jurisdictions. These partnerships continued in 2020 and resulted into a positive dynamic on the African continent.

A recent series of case studies on tax and development[6] outlines how governments in selected African developing countries (Senegal, Tunisia, Uganda and Zambia) are addressing tax avoidance and evasion, supported by the collaborative efforts of the Global Forum, the OECD and other partner organisations such as ATAF and the World Bank Group (WBG).

#### *African Union Commission*

In 2020, the AU Commission reiterated that resource mobilisation for Africa's development is one of the continent's major challenges in the wake of the COVID-19 crisis. This requirement is part of a broader strategy embodied in the AU Agenda 2063 "The Africa We Want", which recognises that strengthening DRM efforts and reversing all forms of IFFs from Africa are essential to transforming Africa in 2063. As tax transparency and EOI plays a crucial role on both fronts, the AU Commission engaged in a partnership with the Global Forum under the Africa Initiative framework to promote tax transparency in African countries.

As a step forward, the partnership saw the AU Commission become an observer to the Global Forum in 2019. In addition, the AU Commission committed to playing a leadership role in the implementation of the Africa Initiative and keeping tax transparency discussions at the high political level. In 2020, the AU Commission jointly published the TTiA 2020 report with the Global Forum and ATAF. The TTiA 2020 report is a unique source of information which measures African countries' progress in using tax transparency in the fight against tax evasion and the remaining challenges on the continent. In a keynote address at the webinar event to launch the report held on 25 June 2020, the AU Commissioner for Economic Affairs recognised the relevance of global tax co-operation efforts and noted the unique challenges African countries were facing in this endeavour. In light of this, the AU Commission welcomed the technical support of the Global Forum and its partners to help African countries overcome identified gaps and deficiencies. In addition, the AU Commission attended and participated as a panel discussant at the 8th Africa Initiative virtual meeting held on 30 September to 2 October 2020, providing valuable insight. As an observer to the Global Forum since 2019, the AU Commission also attended the Global Forum 2020 plenary meeting held virtually on 9-11 December 2020 under the theme: "Transparency for tax purposes in the time of COVID-19 – Working together to promote the fairness of tax systems and generate revenue." In December 2020, the Commissioner for Economic Affairs signed the Yaoundé declaration. This was a strong signal of the express commitment to the Africa Initiative in the advancement of tax transparency in Africa to fight IFFs and increase DRM.

In December 2020, the AU Commission held a Virtual Extraordinary Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration convened under the theme, "Securing Africa's Taxing Rights and Stemming Illicit Financial Flows". This meeting launched a joint AUC-EU-GIZ Multi-Donor Action to fight against IFFs in Africa.

6. The series of tax and development case studies in selected countries are available at https://www.oecd.org/tax/tax-global/tax-and-development-case-studies.htm

## Developments in tax transparency in Africa since 2019

### *African Tax Administration Forum*

Over the years the Global Forum and the African Tax Administration Forum (ATAF) have enjoyed a productive relationship. ATAF has participated in the Africa Initiative since its inception and is an observer to the Global Forum. ATAF has had an important role in the promotion of tax transparency and EOI in Africa hence the collaboration with the Global Forum. This collaboration is fostered through practical support to the African jurisdictions which continued in 2020.

As a key technical partner in Africa, ATAF has worked together with the Global Forum in tax transparency and EOI capacity-building activities. In 2020, joint support was provided virtually for Namibia and Zambia. The capacity-building activities related to support in identified gaps with respect to the legal frameworks and practice of the tax transparency standards.

The mutually beneficial collaboration between the Global Forum and ATAF resulted in a joint publication of the TTiA 2020 report with the AU Commission. ATAF has also actively participated in the TTiA 2020 report launch webinar of 5 June 2020 and the 8th Africa Initiative meeting held virtually on 30 September to 2 October 2020. ATAF welcomed the launch of the TTiA 2020 report as timely given the impact of the COVID-19 pandemic that had placed an extra burden on tax administrations and partnered in the efforts in supporting Africa to fully benefit from tax transparency and EOI, and pledged to continue to make these an area of focus. In addition, as an observer to the Global Forum, ATAF also participated at the Global Forum 2020 plenary meeting held in virtual mode due to the pandemic.

The joint technical assistance work between ATAF and the Global Forum to African jurisdictions identified a pressing need in establishing effective EOI units. To address this challenge for the African jurisdictions, ATAF and the Global Forum worked together in 2020 and co-authored a "Toolkit on Establishing and Running an Effective EOI Function" intended to assist ministries of finances and tax administrations to improve the organisation and practices of their CA offices. The ultimate goal is the set up of a functional EOI unit able to effectively process inbound and outbound requests and promote the use of EOI in the fight against IFFs.

### *African Development Bank*

The AfDB joined the Global Forum as an observer in 2015. Based on the AfDB's policy and its strategic framework and action plan against IFFs in effect since 2017, the collaboration between the two bodies was strengthened in 2019 with the key purpose of moving forward the agenda on tax transparency to significantly impact DRM for African jurisdictions.

To foster this collaboration, in February 2020, the Global Forum held a seminar for AfDB on tax transparency and EOI in Africa at the AfDB Headquarters in Abidjan, Côte d'Ivoire. Over 30 participants from various departments attended this event intended to raise awareness for the AfDB team and explore additional ways of effective collaboration. AfDB's commitment to this collaboration in 2020 was through the involvement and contribution to the TTiA 2020 report and its launch webinar on 25 June 2020. Specifically, AfDB pledged to step-up policy engagement dialogue in transparency and EOI and called on African jurisdictions to join the Global Forum to benefit from the implementation of the transparency standards.

In addition, AfDB collaborates with the Global Forum on a pilot project to support Senegal in establishing its legal and institutional framework to handle AEOI and improve the use of EOIR in its tax compliance activities. This support continued in 2020 and is still ongoing. It is expected that this type of collaboration will be replicated in other countries on the African continent as a means to take forward the agenda on tax transparency.

### *European Union*

Experience has shown that to bring about the necessary changes in transparency and EOI, technical support is a key ingredient. In this regard, the EU has partnered with the Global Forum to provide technical support to African jurisdictions. The EU supports the Africa Initiative and actively participates in its meetings.

The EU provides funding to the Global Forum's technical assistance work for specific countries. In particular, the EU funds the West Africa Tax Transition Support Programme. This Programme, launched in 2020, aims to help the implementation of tax transition programmes in West Africa, following the implementation of regional trade liberalisation policies. A key component is the fight against tax evasion and other IFFs through strengthened tax transparency. Capacity-building activities as well as meetings on tax transparency and EOI were held with the member states of the Economic Community of West African States (ECOWAS) facilitated by the Global Forum. For instance, a virtual training workshop on EOI took place in November 2020 with the participation of representatives of ECOWAS Member States, Mauritania and the West Africa Economic and Monetary Union (WAEMU) and ECOWAS Commissions.

In addition, the EU is funding the Global Forum's capacity-building activities in Tunisia and Egypt, with the technical support of Switzerland and the United Kingdom on specific topics. In Tunisia, technical support was provided by the Global Forum to prepare the country for its EOIR peer review and to train tax auditors. In the field of AEOI, the Global Forum is working with Switzerland for an action plan to be implemented for the confidentiality framework and information security management, with additional support to be provided on the legal framework. In Egypt, the Global Forum and the United Kingdom provide technical assistance on different topics related to EOI, including assisting the country to sign and ratify the MAAC, enhancing the effectiveness of EOIR (EOI unit, EOI manual) and improving the legal framework. In both countries, EU funds only the Global Forum activities, whether performed alone or with technical partners.

### *France*

France is a key partner and donor of the Africa Initiative since its inception. Since 2015, the Ministry of Europe and Foreign Affairs provides financial contribution to support the capacity building programme of the Africa Initiative. The Directorate General of Public Finance also provides technical expertise for training events and specific countries' technical assistance. For instance, together with the Global Forum, it supports Morocco's AEOI implementation pilot project as the partner country. A key milestone was achieved for this pilot project in 2020 as Morocco announced its commitment to have its first AEOI exchanges in 2022.

### *Norway*

The cooperation between Norway (Norwegian Agency for Development Cooperation) and the Africa Initiative continued in 2020. Apart from being a key partner and donor, Norway also actively participated in the 8th Africa Initiative meeting by providing expert panellists.

### *Switzerland*

Switzerland (State Secretariat for Economic Affairs) is an integral partner to the Africa Initiative since its launch. In 2020, Switzerland and the Global Forum Secretariat provided technical support to Tunisia on AEOI.

### *United Kingdom*

The United Kingdom (Foreign, Commonwealth & Development Office) is a key partner and donor of the Africa Initiative since its inception in 2014. In 2020, the United Kingdom continued to contribute to the capacity-building activities of the Africa Initiative and reinforcing the assistance provided by the Global Forum Secretariat working together to support Egypt in the processes of becoming a party to the MAAC and improving its EOI processes and legal framework.

### *World Bank Group*

WORLD BANK GROUP

In 2020 the World Bank Group continued to partner with the Global Forum Secretariat in the creation of knowledge-development tools and technical assistance to developing countries, including expert panellists to share experiences during the 8th Africa Initiative meeting.

### *Collaboration partners*

The Global Forum has also received tremendous support on its work in Africa through the Africa initiative platform, working closely with Belgium, Norway, the *Cercle de Réflexion et d'Échange des Dirigeants des Administrations fiscales* (CREDAF), ECOWAS, the International Monetary Fund (IMF), OECD, Tax Justice Network Africa, the United Nations Economic Commission for Africa (UNECA), WAEMU, the West African Tax Administration Forum (WATAF).

They all put their weight behind the Africa Initiative program of work in 2020 contributing as expert panel speakers at both the 8th Africa Initiative meeting as well as at the TTiA 2020 report launch webinar.

*"As I leave my position as Secretary General of CREDAF, I would like to welcome the publication of this report, which once again demonstrates the progress made over the past year in terms of tax transparency in Africa.*

*Having held operational positions in tax audit within the French tax administration for many years, I am firmly convinced that EOI is an indispensable tool in the fight against tax fraud and evasion. It is also a powerful lever in the fight against illicit financial flows and the criminal behaviour that generates them.*

*This is why, with the CREDAF executive board, I have worked hard during my term to ensure that our association works with its members to support the Africa Initiative in terms of awareness and capacity building.*

*Within a regional organisation such as ours, this approach makes it possible to reach the various levels of responsibility in the administrations, Directors General, business managers, and audit practitioners. It also raises awareness in certain countries which, although members of CREDAF, have not yet joined the Global Forum.*

*Finally, it is naturally linked to several of the actions that we are carrying out in parallel in the field of data control, computerised tax auditing and the organisation of services."* – **Jean-Marc Niel**, Former Secretary General of CREDAF

Their participation was instrumental to the success of these events which magnified the importance of the role of tax transparency and EOI for Africa as a powerful tool in addressing IFFs. They affirmed their commitment towards the Africa Initiative as a critical program of work and provided valuable insights into possible solutions to the problems faced by African jurisdictions. The collaboration therefore exemplified the importance of a multi-faceted and coordinated approach in supporting developing jurisdictions and the impact this can produce as it leverages the complementary strengths each partner has to offer.

## TRANSLATING TAX TRANSPARENCY INTO REVENUE GAINS

The ultimate goal of tax transparency and EOI is to assist tax authorities in the administration and enforcement of their tax laws when taxpayers' affairs are connected with foreign jurisdictions. By fighting cross-border tax evasion, tax transparency and EOI improves tax compliance and ultimately revenue collection. The Africa Initiative encourages African countries to adopt effective strategies not only to comply with the standards but also to optimise EOI in their tax administrations.

Over the past few years, African countries have started to implement initiatives which have proven very efficient in driving tax compliance. This includes Voluntary Disclosure Programmes (VDP) and High–Net-Worth Individual (HNWI) Programmes, with EOI as deterrent. South Africa is one of the African countries which have realised the potential of having a dedicated unit to monitor the compliance of HNWIs. As Box 1 highlights, the South African Revenue Service (SARS) has had this Unit in place since 2008/09 and has frequently adjusted its operations to meet new challenges. The TTiA 2020 report highlighted Nigeria's and South Africa's examples of VDPs launched prior to their first AEOI exchanges and which have enabled their tax administrations to collect additional revenue on previously undisclosed assets held offshore by tax residents. As at 30 April 2019 the Nigeria's "Voluntary Assets and Income Declaration Scheme", which ran from 1 July 2017 to 30 June 2019, helped the tax administration collect nearly USD 162 million (EUR 130 million) of additional revenue.

In 2020, Kenya introduced a "Voluntary Tax Disclosure Programme" for a three-year period, with effect from 1 January 2021 to 31 December 2023. The programme allows a person to disclose to the Kenya Revenue Authority (KRA) tax liabilities that were previously undeclared and enjoy full or partial relief of penalties and interests on the tax disclosed under the programme. It applies to tax liabilities accrued in the period commencing on or after 1 July 2015 but not later than 30 June 2020. Although EOI was initially not included in the strategy, Kenya is working to leverage its recent commitment to start its AEOI exchanges by September 2022, by incorporating AEOI in the VDP's narrative.

Mauritius, which is one of the first African countries to implement the AEOI standard, has also put in place a "Voluntary Disclosure of Income Scheme – Foreign Assets" to encourage Mauritius tax residents to disclose their undeclared income held abroad by 31 March 2020.

More African countries are considering the introduction of VDPs as they announce their date of first AEOI exchanges or foresee the implementation of AEOI in the longer term. As those provisions aim at encouraging voluntary compliance, EOI can support their implementation as a deterrent to taxpayers.

### BOX 1. **High-Net-Worth Individuals Unit in SOUTH AFRICA**

HNWIs make a valuable contribution to the South African economy. The complexity of their tax affairs, together with the opportunities that their wealth may provide for aggressive tax planning and cross-border tax avoidance or evasion pose particular challenges and risks to the South African Revenue Service (SARS). These unique characteristics justified a different approach to ensure voluntary tax compliance. Given their importance and potential revenue contribution, SARS endeavours to provide a differentiated approach (treatment strategy) to ensure voluntary compliance.

For these reasons, SARS started monitoring HNWI's compliance in 2008/09. Individuals were classified as a HNWI based on a formal definition setting out a qualifying criteria. Since then, the manner in which SARS has monitored this segment has changed over time and various formats have been adopted. For example in 2016/17, the HNWI Unit took the form of a cross-functional team following a change in the SARS operating model at that time.

On 24 February 2021, the Minister of Finance announced the establishment of a dedicated unit to improve compliance of individuals with wealth and complex financial arrangements also known as the High Wealth Individual (HWI) Unit, which came into effect on 1 April 2021. This announcement followed the adoption of a new operating model that provided an opportunity to refine SARS approach to this segments compliance. The new HWI Unit will have a limited focus on individuals with assets worth ≥ ZAR 75 million (EUR 4.35 million).

Subsequent to the minister's announcement, the Commissioner of SARS announced the establishment of the HWI Taxpayer Segment to improve compliance of the identified individuals. The new approach entails a HWI Unit with a differentiated service that provides a one-stop, superior service.

The focus of the restructured HWIs segment is to increase voluntary compliance of HWI taxpayers by providing clarity and certainty and making it easier to comply with their obligations, which aims at improving SARS ability to detect and respond to risks posed by the taxpayer segment. This reform also aims at improving the use of EOI to assess HWI tax affairs, especially as SARS has been receiving the AEOI data on its taxpayers' foreign financial accounts since 2017. EOI plays a key role in the detection of possible non-compliance cases in relation to cross-border transactions and assets held offshore.

At present the HWI tax base consists of 1 406 individuals. The files of the individuals have been migrated to the HWI Unit and access will be restricted to only this Unit.

Over the course of time, SARS has learnt that:

- To effectively implement a HWI Unit, the tax authority needs access to third party data. This enables the tax authority to compile information for risk analysis and profiling to better understand this segment and improve their voluntary compliance.
- For the HWI Unit to be effective and successful, it needs the support of the executive. This will ensure the Unit is well resourced and functioning optimally.
- Changes in the operating environment may require the tax authority to adjust its approach to dealing with HWIs. Since 2008/09, SARS has variously adjusted its approach to monitoring the compliance of HWIs.

SARS
South African Revenue Service

**Source**: South African Revenue Service

# 3 Progress made by African countries in 2020

*Increasingly, as business models evolve to be more digital, non-local and virtual, and physical borders less relevant in the production and movement of goods and service, each of our individual national tax bases are under constant threat of erosion. Our taxing rights are constantly being compromised. The richer countries may appear to be short term losers, and poorer, developing countries may continue to lose. In truth though, over the long term, we as Revenue Administrators, along with our governments, are all likely to be the biggest losers. It has never been more prudent then now for the adoption of tax transparency and exchange of information standards by all revenue authorities, specifically us as African revenue authorities.*

*The past year has seen a steady increase in the implementation of tax transparency and the exchange of information standards in many African countries with encouraging results. However, we cannot declare an early victory, much is still needed to be done. African tax authorities are clear that the need for skilled tax officials and efficient and effective EOI infrastructures are integral to their overall success. The continued development of tax transparency is key to ensuring greater tax compliance and the Africa Initiative should continue to support its members through strong technical and capacity-building assistance.*

**Edward Chr Kieswetter**, Commissioner of South African Revenue Service and Vice-Chair of the Africa Initiative

Six years since its inception, the Africa Initiative appears to be a catalyst of progress in combating cross-border tax evasion and enhancing DRM in African countries. This third edition of the TTiA report measures progress made by African countries in 2020, a year made more challenging because of the COVID-19 pandemic. It offers a broader picture of Africa's current position on tax transparency as it covers more non-members and new members which have joined the Global Forum since the TTiA 2020 report that covers 2019 activities.

The progress measured in this section of the report is based on the Global Forum's work – peer review and capacity building – and the responses provided by African countries to a survey conducted by the Global Forum Secretariat for the Africa Initiative. Thirty-four African countries provided their responses to the questionnaire.[1] The 2020 data includes feedback from five new respondents who did not participate in last year's survey (Congo, Sierra Leone, Gambia, Zambia and Zimbabwe) but excludes feedback from three countries (Guinea-Bissau, Niger and Malawi) who participated in last year's survey but did not provide feedback for this year's survey.

Overall, the progress highlighted in the 2020 report has continued. Older African members of the Global Forum are moving to a more mature EOI system with concrete results on DRM. At the same time, the number of African countries joining the international efforts to tackle tax evasion through the implementation of the tax transparency standards is ever increasing. Although there are still areas of improvement, such as the implementation of AEOI where there is still a gap between advanced economies and developing countries, the political support has increased and more development partners are supporting African countries in building up the infrastructure they need to fully unlock the potential of tax transparency in Africa.

## EXCHANGE OF INFORMATION REMAINS A PRIORITY FOR AFRICAN COUNTRIES

One of the starting points in building the foundation of a sustainable EOI function is to make EOI a priority and therefore design a strategy to utilise it in tax compliance activities of the tax administration.

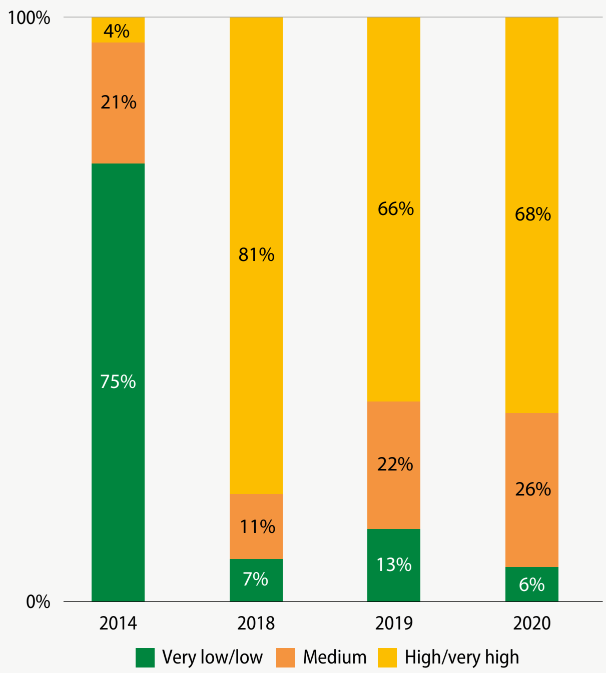
Among the respondents to the TTiA 2021 survey, the number of countries giving a high priority to EOI remains high and stable while the number of countries attaching a low priority has decreased, as demonstrated in Figure 5. Six new countries[2] have provided their inputs for the first time on this item with a high level of priority for three of them and a medium level for one. Not only is their participation to the survey a positive sign but the high level of priority granted to EOI is promising.

While one might have thought that tax administrations would have changed their priorities in response to the COVID-19 pandemic, the vast majority of them have maintained EOI as a high priority. This is likely due to the fact that most African countries are now aware that EOI is a powerful instrument for DRM, particularly necessary

1. Angola, Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Congo, Eswatini, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

2. Angola, Congo, Gambia, Sierra Leone, Zambia and Zimbabwe.

FIGURE 5. **Level of priority of EOI for tax authorities**




**Note**: The graph reflects the situation for the African countries which have provided data for the relevant years. The 2020 data includes feedback from five new respondents who did not participate in last year's survey (Congo, Sierra Leone, Gambia, Zambia and Zimbabwe) but excludes feedback from three countries (Guinea-Bissau, Niger and Malawi) who participated in last year's survey but did not provide feedback for this year's survey.

**Source**: Responses provided to questionnaire by African countries.

to meet the needs generated by the health crisis and its economic consequences. For the countries that lowered the level of priority given to EOI, the COVID-19 related measures such as focusing on relief measures to support taxpayers rather than audits, could have played a role.

If one compares the adequacy of the level of priority given to EOI and the EOI framework implemented, it is surprising to find that there is no correlation between them. Countries with a high level of priority do not necessarily have the optimum framework and should consider some changes to maximise the efficiency of their EOI function to be fully in line with the high priority granted:

- 100% of countries with low or medium priority have delegated the CA function while 83% of countries with high priority have delegated it. Whatever the priority is, it seems important for African countries to appoint a more operational Delegated CA who is practically involved with day to day information exchange.

- 82% of low and medium priority countries have set up an EOI unit while only 48% of high priority countries have done so. The EOI unit is a key component of an effective EOI system, as it carries out the EOI function in a jurisdiction. Countries that have not established an EOI unit may find it useful to use the joint Global Forum and ATAF toolkit: Establishing and Running an Effective Exchange of Information Function.

- 90% of low and medium priority countries have an EOI manual, while only 48% of high priority countries have one. A majority of African countries have a step by step manual for their EOI case workers, including the process to be followed for incoming and outgoing requests.

- It is on the use of a tracking tool that all countries are in the same situation, with half of them using one. The monitoring and tracking of the EOI activities are critical to ensure confidentiality. In addition, the EOI tracking system can allow statistics to be compiled periodically on the status of incoming and outgoing requests and incoming and outgoing spontaneous exchange enabling the tax administration to monitor the handling of request and spontaneous exchanges in accordance with the standard. It also facilitates the preparation of summary reports for managers or internal auditing departments. African countries would benefit to have such a tool to gain insights on their EOI function.

In the end, only the one country indicating that EOI is not a priority does not have any of these EOI infrastructure elements. This contrast shows that even in countries where the foundation of EOI is in place, EOI might still not be a priority. This can be verified in many African countries where the number of EOI requests sent to their treaty partners is very low although the EOI network is broad and there is a functional EOI unit in place. Therefore, putting in place the EOI infrastructure is an important step. However, it should be complemented with a strategy to make EOI an effective tool to support the enforcement of the tax legislation. Such a strategy should be owned by the top management of the tax administration or the ministry of finance.

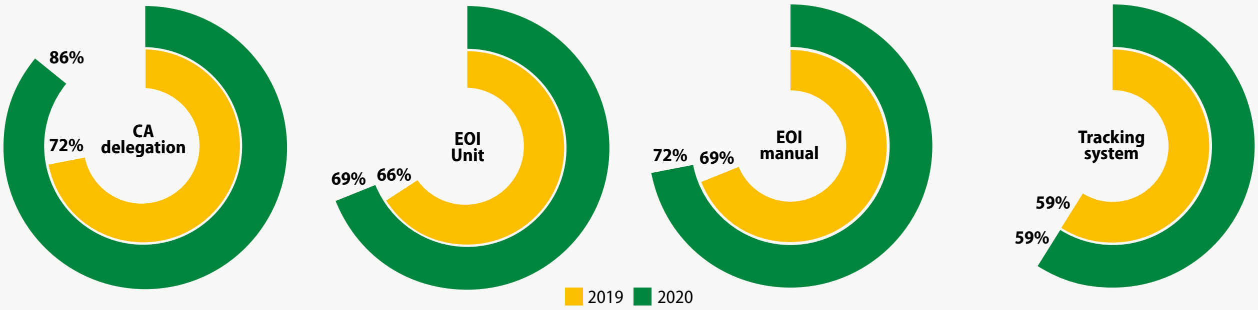
## AFRICAN COUNTRIES CONTINUE TO DEVELOP THEIR EXCHANGE OF INFORMATION INFRASTRUCTURE

The role of the CA is central in the operation of EOI, as they are the only officials empowered to send, receive and respond to EOI requests from and to foreign jurisdictions. EOI requests are addressed to the CA who is responsible to exchange information as required by the international agreement. However, where the primary CA is the minister of finance or the head of the tax administration, a delegation of the CA function to one or more operational persons should be considered for more efficiency. In 2020, there was a significant increase in the number of delegations of CA function with four more countries adopting this system as compared to 2019 (+19%) as highlighted in Figure 6. The five countries[3] replying for the first time to the TTiA 2021 survey have all delegated the CA function. This trend is very positive for the effectiveness of the EOI implementation.

At the same time, this delegation has not been accompanied by a comparable increase in the number of EOI units, which now stands at 20 with one additional EOI unit implemented among the countries who replied both for 2019 and 2020 surveys. There is no EOI unit established by the new respondent countries. In fact, delegating the CA powers is just the beginning of the process of establishing an EOI function. Establishing

3. Congo, Gambia, Sierra Leone, Zambia and Zimbabwe

FIGURE 6. **Evolution of the EOI infrastructure**




**Note**: The graph reflects the situation for the 29 African countries which have provided data both for 2019 and 2020.

**Source**: Responses provided to questionnaire by African countries.

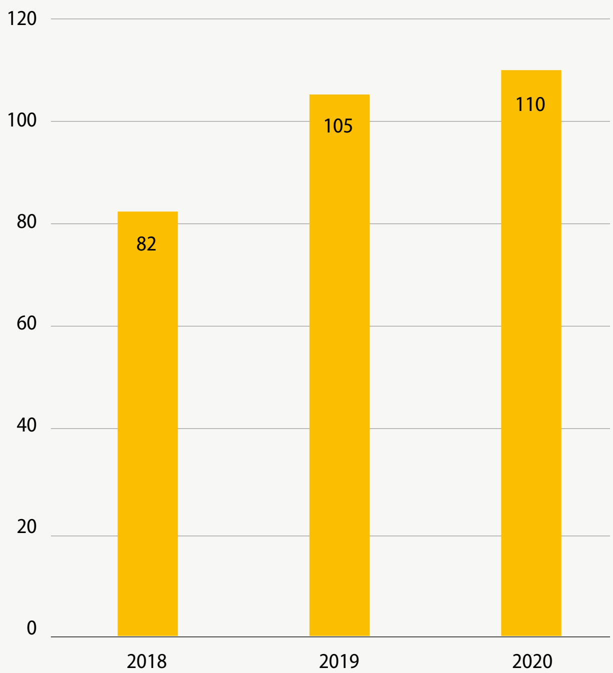
well-functioning EOI units remains one of the core objectives of the Africa Initiative. Working together, the Global Forum and ATAF have jointly published a Toolkit on "Establishing and Running an Effective Exchange of Information Function" and therefore it can be expected to see the same positive trend as with the delegation of CA in the near future.

Figure 6 illustrates a continuation of the situation in 2020 on the use of the EOI manual and the EOI tracking system. Among the countries that responded for both 2019 and 2020, the only change is the adoption of an EOI manual for one additional country. The five countries that responded to the TTiA 2021 survey for the first time do not have either of these tools.

As demonstrated in Figure 7, the number of employees still increases when we compare the 25 countries that have provided data for 2018, 2019 and 2020. The situation for the 34 countries that provided figures for 2020 shows an EOI function amounting to 120 EOI officers, divided into 88 full-time employees and 32 employees who also perform tasks other than EOI. The implementation of new EOI units and AEOI in some African countries should see this positive trend continue, with increased professionalisation of staff.

Since 2014, the level of knowledge has risen sharply (as shown in Figure 8): the low level of knowledge concerned 78% of countries in 2014 and now only 26% of countries. 44% of the countries consider that their teams now have a medium level of knowledge in EOI (19% in 2014). Expertise has progressed well, with 29% of countries rating their teams' level of knowledge in EOI as good, up from 4% in 2014.

FIGURE 7. **Evolution of the number of the EOI staff within tax administrations**

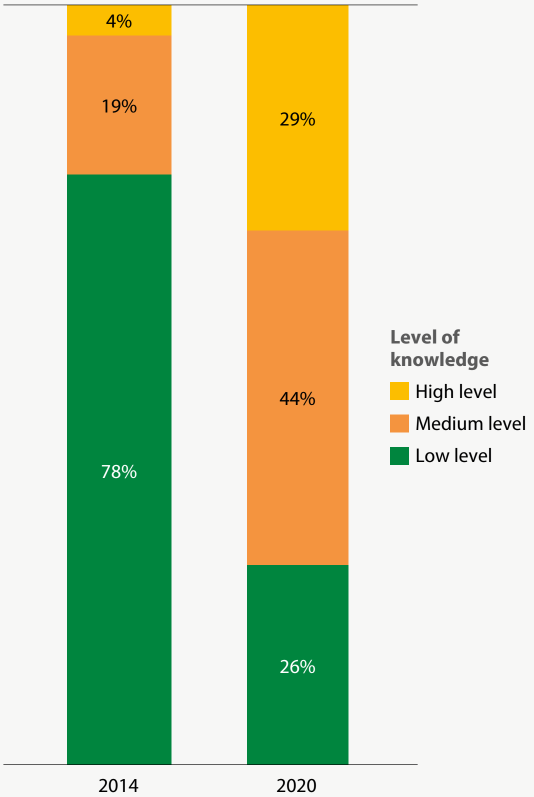



**Note**: The graph reflects the situation for the 25 African countries which have provided data for every year from 2018 to 2020.

**Source**: Responses provided to questionnaire by African countries.

From the TTiA 2021 survey, it appears that the assessment of the level of knowledge remains broadly stable between 2019 and 2020 when comparing the 29 countries which replied both for 2019 and 2020. Four countries raised the level of knowledge while it was lowered in five countries. The downgrade in the level of knowledge is attributable to changes in staff. While 19% of African members of the Global Forum rate the level of knowledge of their staff as low, this proportion rises

FIGURE 8. **Evolution of the knowledge on EOI within tax administrations**




**Note**: The graph reflects the situation for the African countries which have provided data for 2014 and/or 2020.

**Source**: Responses provided to questionnaire by African countries.

to 80% among non-members of the Global Forum. The need for capacity building is therefore important for African countries and countries that invest in training and participate in capacity-building activities perform better. The average number of trainees for countries reporting a low level of knowledge is six, while the average number of trainees for countries reporting a medium or high level of knowledge is 43 per country.

Understanding the EOI principles and procedures is critical for their utilisation in the operations of the tax administration. The EOI unit is critical to enable the other functions to better use EOI and help disseminate a culture of EOI within the whole organisation.
It is the responsibility of the EOI unit to deliver appropriate trainings in EOI to other officials of the tax administration. EOI trainings should be regularly delivered to tax auditors and investigators, and other relevant tax officials (tax assessment and recovery functions).

## AFRICAN COUNTRIES' EXCHANGE OF INFORMATION NETWORKS CONTINUE TO GROW

EOI for tax purposes cannot take place between jurisdictions unless there is an international legal instrument that allows for EOI. A narrow network of EOI instruments has been one of the obstacles that prevent African countries from accessing information from other jurisdictions. As a result tax auditors and investigators may not have access to key information needed to enforce domestic laws.

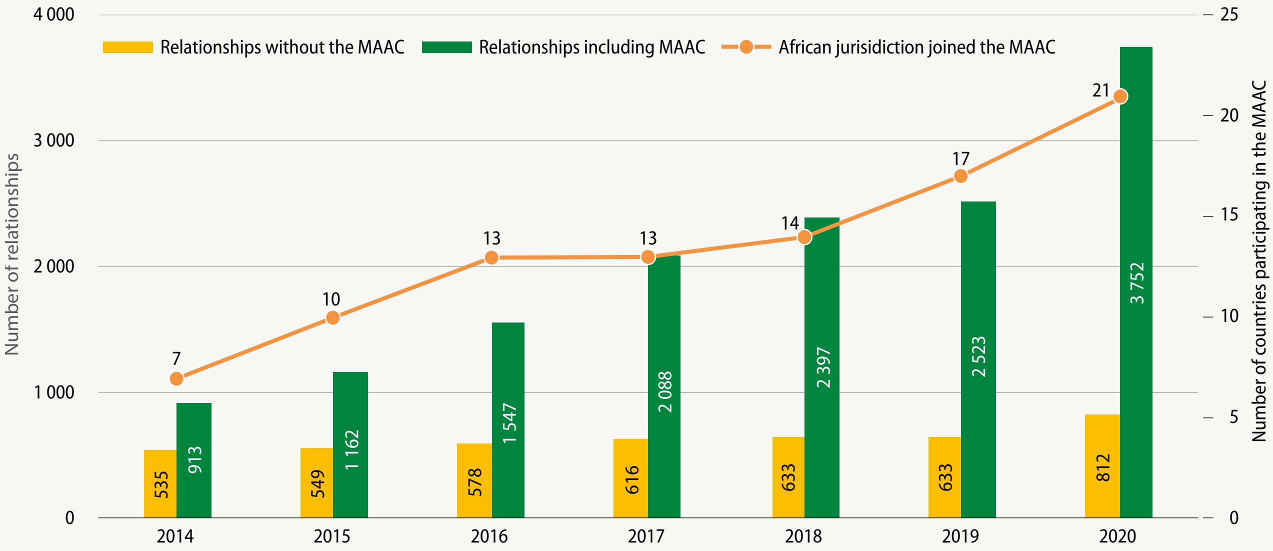
Therefore, one of the objectives of the Africa Initiative is to help African countries sufficiently broaden their EOI networks. African countries have been rapidly expanding their networks of EOI partners since 2014. Even though the COVID-19 pandemic disrupted the work of many tax administrations, the progress manifested in 2019 continued in 2020 with 901 new EOI relationships created as at December 2020. A majority of these new relationships were created through the signing of the MAAC. Four more African countries signed the MAAC in 2020 (Botswana, Eswatini, Namibia and Togo) while three ratified it, bringing it into force (Cabo Verde, Kenya and Namibia). This enables them to begin accessing the various forms of administrative assistance provided for by the MAAC. In addition, as more countries worldwide joined the MAAC the existing EOI network for African countries that have signed it also expands to include all the new signatories.

One country (Rwanda) has been invited to sign the MAAC while four other African countries are undergoing the approval process to be invited to sign it. Figure 9 shows the evolution of EOI relationships and the weight of the MAAC in establishing those relationships.

Fourteen African countries indicated that a fellow African country is a significant EOI partner. This reinforces the need for enhancing regional exchanges between African countries. In addition to the MAAC, which can facilitate such exchanges, ATAF has developed an EOI agreement open to signature by its members: the Agreement on Mutual Assistance in Tax Matters (AMATM).[4] Although twelve African countries have already signed the AMATM (Botswana, Eswatini, Gambia, Ghana, Lesotho, Liberia, Malawi, Mozambique,

4. African Tax Administration Forum Agreement on Mutual Assistance in Tax Matters available at: https://events.ataftax.org/includes/preview.php?file_id=46&language=en_US

FIGURE 9. **Number of EOI relationships created by African countries since 2014**




**Note**: The graph reflects the situation for the 34 African countries which provided data.

**Source**: Responses provided to questionnaire by African countries and Chart of jurisdictions participating in the MAAC.
* https://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf

Nigeria, South Africa, Uganda and Zambia), and it entered into force following ratification by four Parties as required by the Agreement, only seven countries have so far ratified the AMATM (Gambia, Lesotho, Liberia, Mozambique, Nigeria, South Africa and Uganda). The growing interest of African countries in expanding their networks of EOI partners through the signing of multilateral instruments is illustrated in Table 3.

As Figure 10 demonstrates, joining the MAAC is the fastest way of expanding the network of EOI relationships: African countries, which are signatories to the MAAC, have a larger network of EOI partners compared to those who are solely reliant on bilateral agreements. The notable exception is Egypt, which is not a signatory to the MAAC but has a network of over 50 EOI agreements. However, joining the MAAC would at least triple the number of Egypt's EOI partners. All 21 African countries that are signatories to the MAAC are members of the Africa Initiative. This demonstrates that in general, African countries which are not members of the Africa Initiative, and the Global Forum, tend to have fewer EOI relationships (see Figure 10) as they may lack awareness on the importance of having a wide network of EOI partners. In addition, it is always guaranteed that the EOI relationships created through the MAAC are in line with the standards, which is not always the case for bilateral agreements. Members of the Africa Initiative should therefore take steps to join the MAAC.

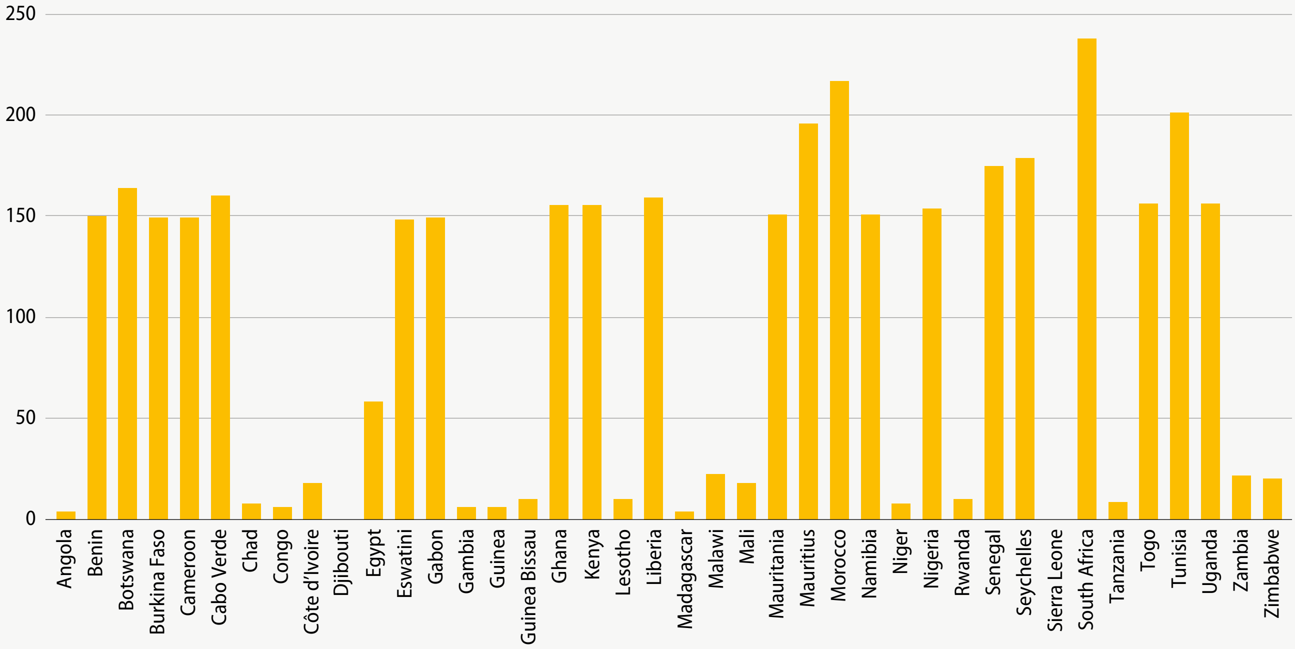
As Table 3 demonstrates, 21 African countries have signed the MAAC representing 38% of African countries. All of these countries are members of the Africa Initiative. However 11 Africa Initiative members are yet to sign the MAAC. Out of the 21 African countries

TABLE 3. **More African countries joining the MAAC**

| | Numbers | Countries |
|---|---|---|
| Convention signed and ratified | 14 | Cabo Verde; Cameroon; Eswatini; Ghana; Kenya; Mauritius; Morocco; Namibia; Nigeria; Senegal; Seychelles; South Africa; Tunisia; Uganda. |
| Convention signed but not yet ratified | 7 | Benin; Botswana; Burkina Faso; Gabon; Liberia; Mauritania; Togo. |
| Process of signing | 5 | Angola, Chad, Madagascar; Lesotho, Rwanda. |

## Progress made by African countries in 2020

FIGURE 10: **African countries' EOI relationships (by country)**




**Note**: The graph reflects the situation for the 34 African countries which provided data.

**Source**: Responses provided to questionnaire by African countries and Chart of jurisdictions participating in the MAAC

who have signed the MAAC, only 14 have ratified it and brought it into force. The remaining seven of these signatories are at various stages of the domestic processes necessary for ratifying and depositing the instrument of ratification of the MAAC. While some of these are relatively recent signatories such as Botswana (27 September 2020), and Togo (31 January 2020), some others are yet to deposit their instrument of ratification more than one or two years since they signed the MAAC, such as Benin (27 November 2019), Mauritania (12 February 2019) Liberia (11 June 2018), Burkina Faso (25 August 2016) and Gabon (3 July 2014). There is a missed opportunity since without ratification and depositing the instrument of ratification, the MAAC cannot come into force and these countries cannot rely on it for cross-border administrative assistance in tax matters. The case in Box 2 shows the importance of quickly ratifying the MAAC after signing it. This reinforces the correlation between the political and the technical spheres in the implementation of EOI.

BOX 2. **Ratification of the MAAC as a gateway to cross-border assistance in tax matters**

Liberia signed the MAAC in June 2018. However, it has not been ratified and put into force. An audit finalised by the Liberia Revenue Authority in 2018 concluded that one of its taxpayers had not complied with its domestic laws and raised an assessment of USD 29 million (EUR 23.3 million), which was not contested. However, the taxpayer did not have any assets in Liberia to satisfy the tax assessment and eventually left Liberia. Liberia identified assets held by the taxpayer in another jurisdiction in Europe, which is also a party to the MAAC and does not have any reservation with regard to the assistance in the recovery of tax claims. Liberia could not request the assistance for tax recovery because the MAAC has not been ratified and put into force. Members of the Africa Initiative should move quickly to ratify international legal instruments and bring them into force to have ready an international legal framework for assistance in tax matters as and when they need to.

**Source**:
Liberia Revenue Authority

LRA
LIBERIA REVENUE AUTHORITY

### IMPLEMENTATION OF THE EXCHANGE OF INFORMATION ON REQUEST STANDARD

One of the missions of the Global Forum is to provide assurance of correct implementation of the EOIR standard through the peer review of all its members. While the jurisdictions' performance on the standard remains strong, with 85% of all jurisdictions reviewed in the second round having received a satisfactory overall rating ("Compliant" or "Largely compliant"), African countries reviewed so far face more issues with only 33% of satisfactory overall rating. As at December 2020, six African jurisdictions were reviewed against the enhanced EOIR standard. While Mauritius and Tunisia have received a satisfactory rating ("Compliant" and "Largely compliant" respectively), Botswana, Ghana, Liberia and Seychelles have received a "Partially compliant" rating.

The same trend exists when comparing the two rounds. In general, the comparison demonstrates significant progress made despite the strengthening of the standard, notably with the introduction of the requirement to have beneficial ownership information available: 27% of the jurisdictions have improved their rating in the second round and 51% retained it at the same level. Only four out of six African countries assessed in the second round had been reviewed in round one and only one (Mauritius) has improved its rating while the three others have been downgraded.

These assessments show the challenges faced by African countries to implement the enhanced standard, as compared to the first round where the 15 African countries assessed had received an overall rating of "Largely compliant" or "Compliant", although some had undergone supplementary reviews to be upgraded. However, the limited number of African countries already reviewed does not allow to draw a final conclusion. It remains to be seen whether this trend continues in the upcoming reviews of the remaining 26 African countries to be assessed in the second round (See the schedule of reviews of African countries in Table 4).

In particular, one element (Element A1) of the EOIR standard requires that adequate, accurate and up to date information on the identity of the legal and beneficial owners of relevant entities and arrangements is available to CAs in a timely manner. It is not enough for Global Forum members to have a compliant legal framework, the laws must be effectively implemented and enforced in practice. Ensuring the availability of ownership and identity information is one of the central elements of the Global Forum's EOIR peer review process. Due to a wide range of issues which may be faced by governments in maintaining accurate ownership and identity information domestically, only a small number of Global Forum members have not received any recommendation in this area.

TABLE 4. **The Global Forum EOIR peer review schedule of African countries (as of April 2021)**

| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| 2019 | | | | South Africa |
| 2020 | | | Tanzania | Côte d'Ivoire<br>Kenya |
| 2021 | Gabon | | Morocco | Chad<br>Mauritania |
| 2022 | Egypt<br>Nigeria | Burkina Faso<br>Lesotho<br>Togo | | Djibouti<br>Senegal |
| 2023 | Benin<br>Cameroon | Madagascar<br>Niger<br>Rwanda<br>Uganda | Cabo Verde<br>Eswatini | Guinea<br>Namibia<br>Mali |

**Note**: This table is an extract from the Global Forum's EOIR Peer Review (Second Round).

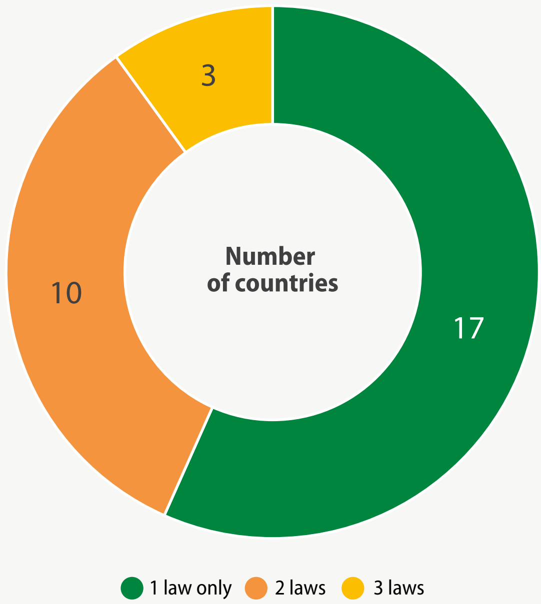
**Source**: http://www.oecd.org/tax/transparency/documents/schedule-of-reviews.pdf

African countries are in the same situation. Of the six African countries already reviewed in the second round of EOIR peer reviews, two have been rated “Largely compliant” and the four others “Partially compliant” with regard to the availability of ownership and identity information.

The beneficial ownership requirement, which was incorporated into the EOIR standard in 2016, emerges as a hotspot of changes triggered by the second round of EOIR peer reviews for all countries. By providing elements about the implementation of frameworks to identify beneficial owners for the first time in the TTiA 2021 survey, African countries shed light on this specific requirement. It should be noted that the Global Forum has not yet assessed most of African countries’ legal framework and practice in respect of the availability of beneficial ownership information (see Table 4).

The EOIR standard adopts the same definition of beneficial ownership as the FATF standard. It appears that most African countries already have a definition (or more than one) of beneficial ownership in existing AML or commercial laws. About the legislation under which beneficial ownership information is required to be maintained, 20 countries reported relying on the AML Law, 12 on the Tax Law and 14 on the Commercial Law. Only 3 countries rely on all three laws at the same time, 10 countries rely on a combination of 2 laws while 17 countries rely only on 1 law to ensure the availability of beneficial ownership information (see Figure 11).

FIGURE 11. **Combination of laws requiring beneficial ownership information to be maintained**




**Note**: The graph reflects the situation for the 30 African countries which provided data. The Global Forum has not yet assessed most of African countries’ legal framework and practice in respect of the availability of beneficial ownership information. Thus this Figure is built on participating countries’ own information.

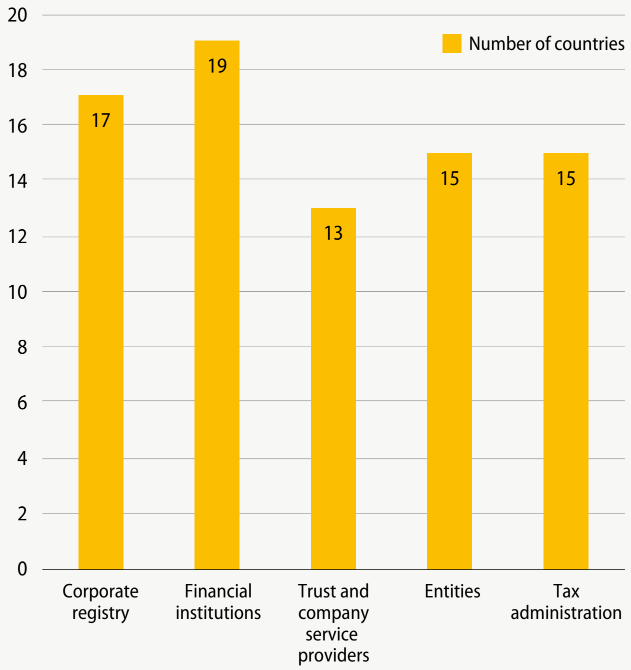
**Source**: Responses provided to questionnaire by African countries.

The EOIR standard has no requirement that a jurisdiction implements a particular mechanism in order to collect and store beneficial ownership information and to grant access to CAs. There is a range of mechanisms to ensure that beneficial ownership information can be obtained in a timely manner. This range is reflected in the responses provided by African countries about the holders of beneficial ownership information (see Figure 12):

- The data is collected as part of customer due diligence of financial institutions for 19 countries or part of the compliance process of the tax administration for 15 countries.
- The Corporate Registry for 17 countries and 10 of them have established central registries as a means of making such information more readily available to CAs.
- Fifteen countries require entities themselves to maintain the information and make it available upon request.
- Other intermediaries who engage with entities in the life cycle of business or financial activities like Trust and Company Service Providers for 13 countries.

The rating of Element A.1 (availability of ownership and beneficial ownership information) is so far highly influenced by the beneficial ownership regime in place. In general, the combination of the beneficial ownership requirements in the AML and company law seems to be the most effective in ensuring the availability of beneficial ownership information (see Figure 13). Therefore, this should be a key element to take into consideration for all African countries looking to improve their beneficial ownership regimes including those to be reviewed and those already assessed and rated “Partially compliant” on this element.

FIGURE 12. **Holders of beneficial owner information**




**Note**: The graph reflects the situation for the 34 African countries which provided data. The Global Forum has not yet assessed most of African countries' legal framework and practice in respect of the availability of beneficial ownership information. Thus this Figure is built on participating countries' own information.

**Source**: Responses provided to questionnaire by African countries.

## REQUESTS SENT BY AFRICAN COUNTRIES

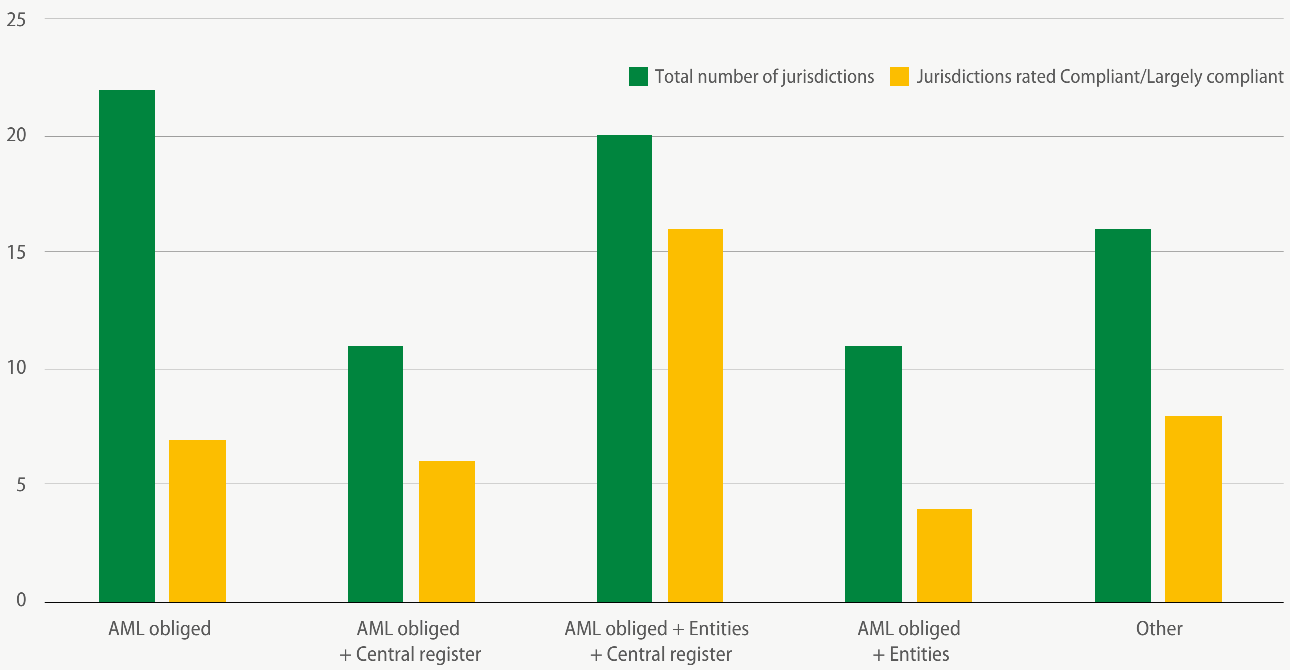
The ultimate aim of widening the network of EOI relationships is that countries use these expanded EOI networks to request information to support tax audits, investigations and other compliance activities, in order to combat cross-border tax evasion and avoidance, and to support their DRM efforts.

All members of the Africa Initiative have committed to use their EOI network more intensively by sending more requests, to analyse the information received and to monitor its impact on tax compliance and revenue collection. Although the COVID-19 pandemic may have disrupted ongoing and yet to be launched tax audits and investigations, African countries have stepped up the trend noted in the 2020 Report.

The number of EOI requests sent by African countries in 2020 increased by 21% rising to 460 compared to 379 requests in 2019 (see Figure 14).

The significant rise in the number of requests sent was achieved despite the number of African countries making the requests falling to 11 in 2020 from 18 in

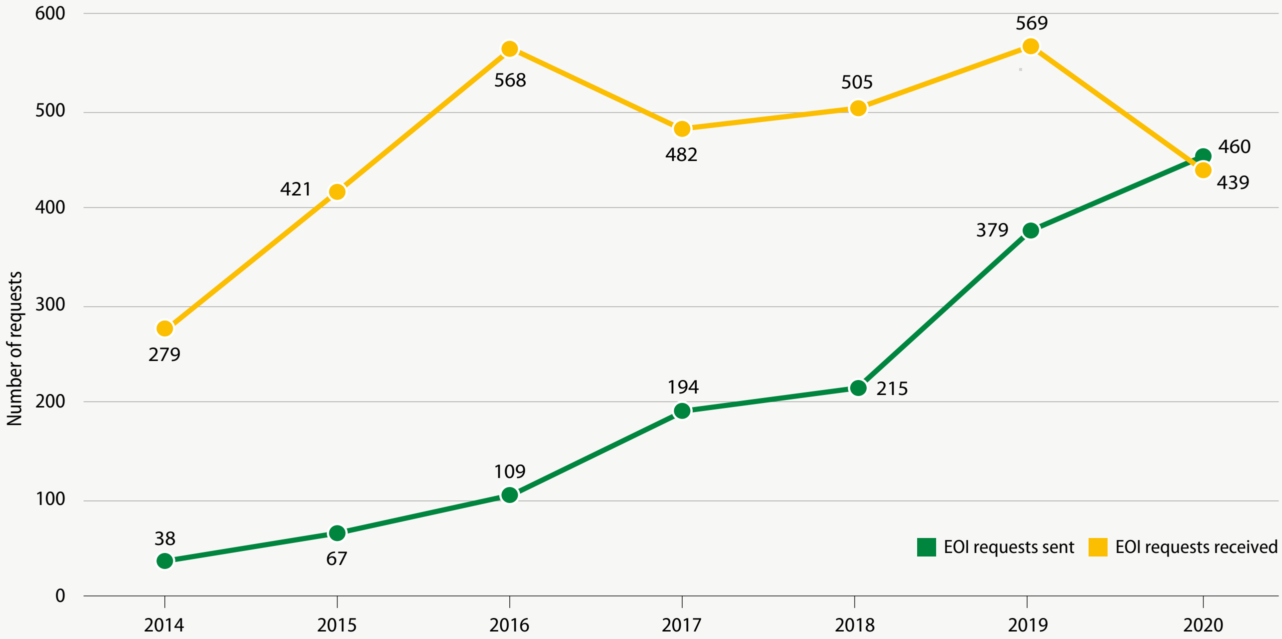
FIGURE 13. **Distribution of beneficial ownership information sources according to their effectiveness**




**Source**: Aggregated from the EOIR Peer Review (Second Round) Reports.

## Progress made by African countries in 2020

FIGURE 14. **EOI requests sent and received by African countries since 2014**




**Note**: The graph reflects the situation for the 34 African countries which have provided data. The 2020 data includes feedback from five new respondents who did not participate in last year's survey (Congo, Sierra Leone, Gambia, Zambia and Zimbabwe) but excludes feedback from three countries (Guinea-Bissau, Niger and Malawi) who participated in last year's survey but did not provide feedback for this year's survey.

**Source**: Responses provided to questionnaire by African countries

2019. This means that the fewer countries who sent requests in 2020, sent more requests than the 18 countries did in 2019. For example, Kenya and Nigeria respectively sent 73 and 31 requests in 2020 compared to 17 and 2 requests sent in 2019. Tunisia and Uganda also increased the number of requests sent to 285 and 33 respectively compared to 269 and 22 in 2019.

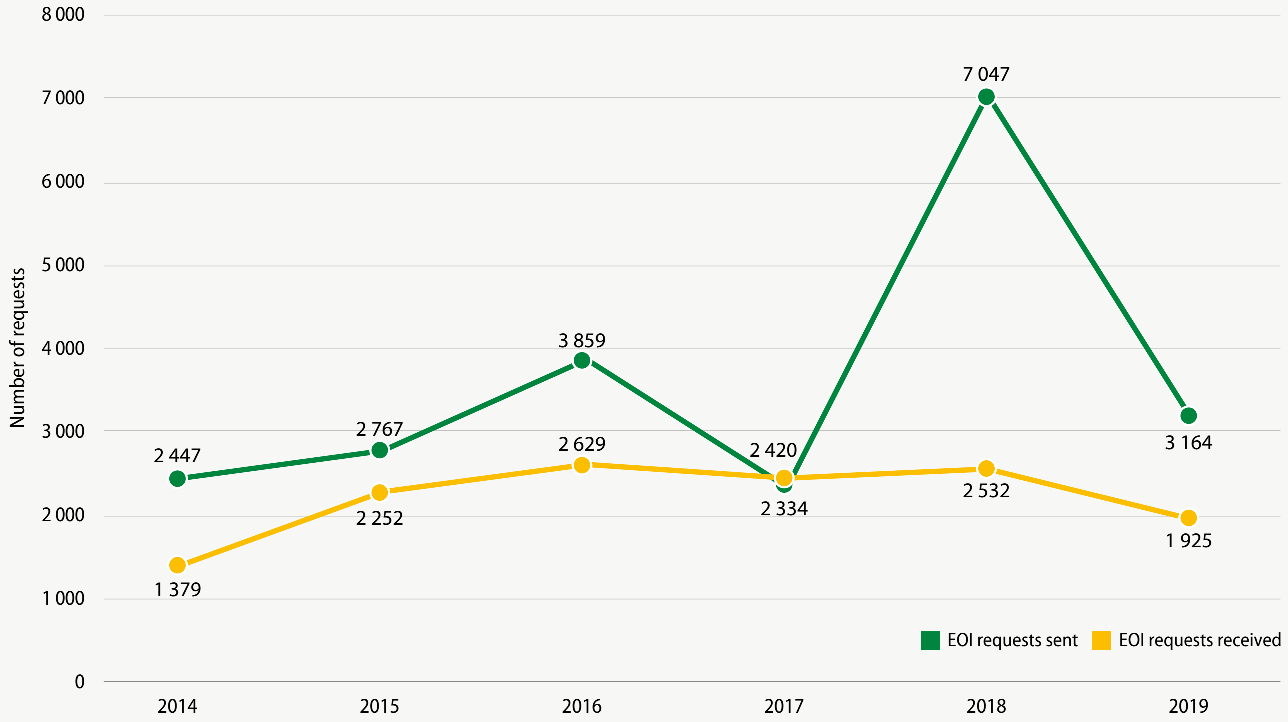
The drop in the number of African countries sending requests is to a large extent attributed to measures adopted by African tax administrations to combat the spread of COVID-19. This situation was not unique to Africa: there was a drop of 29% in the number of EOI requests received by African countries as other countries also slowed down their EOI activities from sending 569 requests to African countries in 2019 down to 439 in 2020.

Over the years, the number of requests received by African countries has always been higher than the number of requests sent. However, in 2020, for the first time African countries turned the tide and became net senders of EOI requests: 460 requests were sent out by African countries compared to 439 requests received (see Figure 14). Eight African countries (Cameroon, Kenya, Lesotho, Nigeria, Seychelles, South Africa, Tunisia and Uganda) were net senders of EOI requests in 2020 compared to five countries in 2019. For example Uganda, Kenya and South Africa respectively sent 30, 20 and 15 more requests than they received. Whether this trend is only due to the Covid-19 crisis or not will be assessed in the 2021 report.

Although they are steadily sending more requests, and became net senders of EOI requests in 2020, African countries still lag behind other developing countries, which are generally net senders of EOI requests since 2014 (see Figure 15). Since 2014, African countries have cumulatively received more requests (3 263) than they have sent out (1 462) (see Figure 14).

Although African countries made remarkable progress in EOI in 2020, there are noteworthy disparities among them on both incoming and outgoing requests. One country (Tunisia) accounts for 62% of the total number of requests sent in 2020. Taking a wider view, four countries (Tunisia, Kenya, Uganda and Nigeria) together accounted for 91% of the requests sent by

FIGURE 15. **EOI requests sent and received by developing countries since 2014**




**Source**: Responses provided to the Impact assessment survey of the Global Forum.

eleven African countries. On the other hand, requests to African countries are largely destined to a small group of countries: Mauritius and Morocco accounted for 68% of the incoming requests in 2020. Taking a wider view, Mauritius, Morocco, Kenya and Tunisia accounted for 90% of the incoming requests. A country that receives more requests may develop insights into taxpayer behaviours that may also enable it to make more requests, hence the correlation between the major recipients of requests also being the major senders of request.

As illustrated by Figure 16 for the first time the number of countries sending more than 20 requests rose to 4 in 2020, the highest number ever since 2014. This shows a progress in making use of EOI. However, this progress is uneven as the majority of African countries are making less than 10 requests per year, a trend that is replicated in earlier years. This means that the majority of African countries are not intensively using their EOI networks.

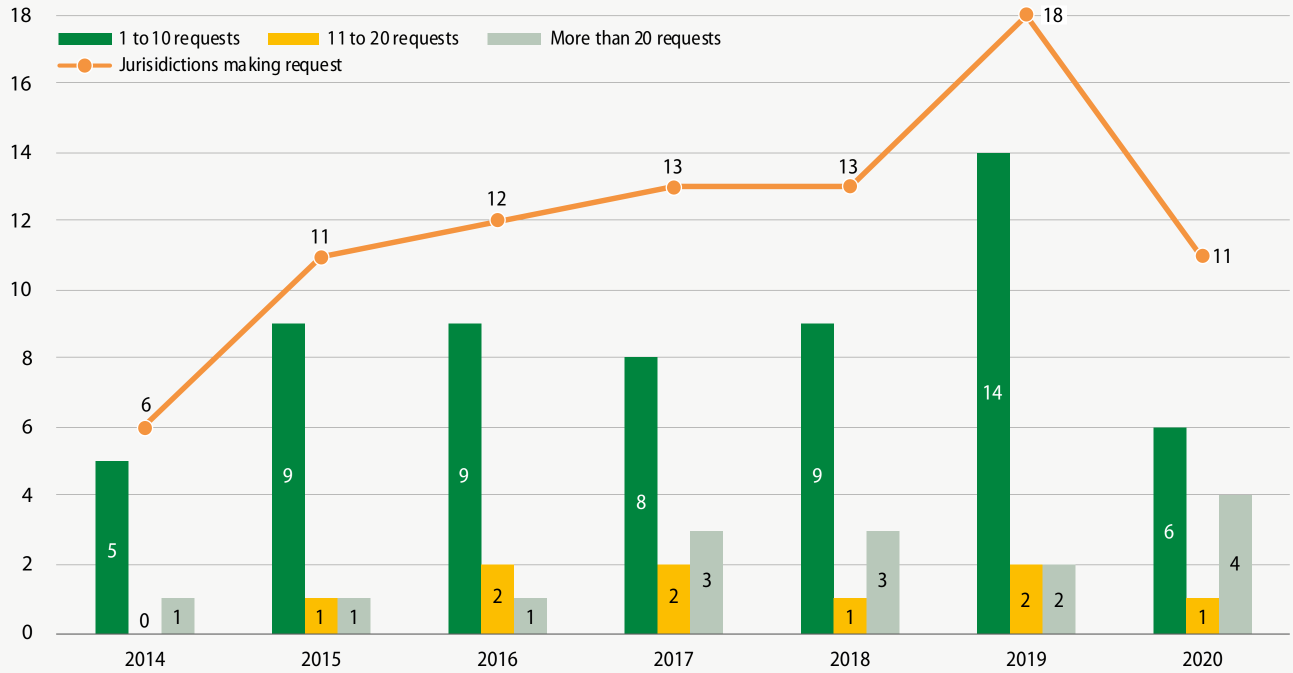
While the number of African countries sending requests dropped from 18 to 11 in 2020, the number of countries receiving requests rose from 16 to 17. Although the drop may be attributed to the COVID-19 context, this drop and the domination of EOI activity by a handful of countries is an indication that most African countries are still behind their potential on EOI and more efforts need to be put in the operationalisation of EOI. This is also demonstrated by the fact that over years (from 2014 to 2020), the average number of African countries making EOI requests is 11, which is nearly 33% of Africa Initiative members and 20% of African countries.

## IMPLEMENTATION OF THE STANDARD OF AUTOMATIC EXCHANGE OF INFORMATION

AEOI is the second standard of international EOI which emerged in 2014 when the OECD, responding to a call from the G20, published the CRS. It requires financial institutions to report financial account information of non-residents to their tax authorities, who in turn automatically exchange this information with the tax authorities of the account holders' country of residence. It is a powerful weapon in the fight against cross-border tax evasion as it enables tax authorities around the world to annually receive without prior request the details of their taxpayers' offshore assets and income.

## Progress made by African countries in 2020

FIGURE 16. **Number of African countries sending EOI requests**




**Note**: The graph reflects the situation for the 34 African countries which provide data. The 2020 data includes feedback from five new respondents who did not participate in last year's survey (Congo, Sierra Leone, Gambia, Zambia and Zimbabwe) but excludes feedback from three countries (Guinea-Bissau, Niger and Malawi) who participated in last year's survey but did not provide feedback for this year's survey.

**Source**: Responses provided to questionnaire by African countries

All current 162 Global Forum members, including the 32 in Africa, are committed to the AEOI standard. However, developing countries that do not host a financial centre were not asked to commit to a specific date to exchange information, recognising the particular challenges they face to implement AEOI and the lower risk they pose to the level playing field. The first AEOI exchanges under the CRS happened in 2017 between 49 jurisdictions. Since then more jurisdictions have joined this global mechanism to which 115 jurisdictions are now committed to start their first exchanges by 2023 the latest.

The latest figures available indicate that in 2019 countries automatically exchanged information on 84 million financial accounts worldwide, covering total assets of EUR 10 trillion.

In 2020, two more African countries (Morocco and Kenya) announced that they will start their first AEOI exchanges in 2022, joining five others which are already exchanging (Ghana, Mauritius, Nigeria, Seychelles and South Africa). Senegal and Tunisia have launched the preparations for the AEOI implementation and are currently considering the date of their first exchanges. The Global Forum Secretariat, working with some partners[5], is delivering intensive technical assistance to the countries committed to a specific timeline and those considering such a commitment to make sure they are ready for their first exchanges on time. This includes the drafting of the legislation and the work on confidentiality and data safeguard. Table 5 summarises the current status of African countries with respect to AEOI implementation.

Although the number of African countries committing to AEOI with specific timelines has almost doubled over the past three years, showing an increasing interest, Africa's participation in this standard is still far behind its potential. One of the core objectives of the Africa Initiative for its current mandate (2021-2023) is to continue to drive the needed support to encourage more African countries to start their AEOI journey.

5. The AEOI implementation projects for Egypt, Morocco and Tunisia are supported by the Global Forum Secretariat with a partner country which shares its experience: UK for Egypt, France for Morocco and Switzerland for Tunisia.

### BOX 3. **TUNISIA: Usefulness of a request**

Tunisia undertook the tax audit of Company X for the years 2014, 2015 and 2016 regarding corporate income tax (CIT) and other taxes on sales. This company is a fully exporting Limited Liability Company and its reported activities include commercial representation, quality and quantity control and market research. As a fully exporting company, Company X benefited from the tax incentives in force which included the deduction of profits from export operations during the first ten years after the first export operation and the total and permanent exemption from duties and indirect taxes normally due for its export activity.

The tax auditors noticed that the Tunisian Company X had commercial and financial relations with its exclusive client, a European Company Y, and that it invoiced the latter for services intended for export. However, the invoices it issued contained brief and inaccurate data relating to the quality control of the work carried out by the subcontractors manufacturing the products of Company Y.

In order to complete the analysis of the facts established and in order to ascertain the reality, the nature and the accuracy of the transactions carried out between the Tunisian Company X and its sole customer, the European Company Y, a request for information was sent to the European competent authority where Company Y is registered.

Following the reply to the request for information, it turned out that the Tunisian Company X was responsible for managing the local suppliers of the European Company Y and consequently received commissions of 6.5% of the amount of orders placed with local Tunisian suppliers for the benefit of Company Y and did not carry out the quality control activity as claimed.

As a result, the Tunisian Company X was deprived of the benefits granted to exports since the nature of the services it provided in the context of its activity did not fall within the definition of export as provided for by the Tunisian legislation in force and was taxed in accordance with the legal provisions governing the CIT, the value added tax and other taxes. The additional revenue raised amounted to over EUR 1.5 million.

**Source**: Tunisian Directorate General of Taxation (Tax administration)

### TABLE 5. **Status of African countries' participation in AEOI**

| Year of first AEOI exchanges | Country |
|---|---|
| 2017 | Seychelles<br>South Africa |
| 2018 | Mauritius |
| 2019 | Ghana |
| 2020 | Nigeria |
| 2022 | Kenya<br>Morocco |
| **Consideration for a date of first exchanges** | Senegal<br>Tunisia |

## REVENUES GENERATED AS A RESULT OF EXCHANGE OF INFORMATION

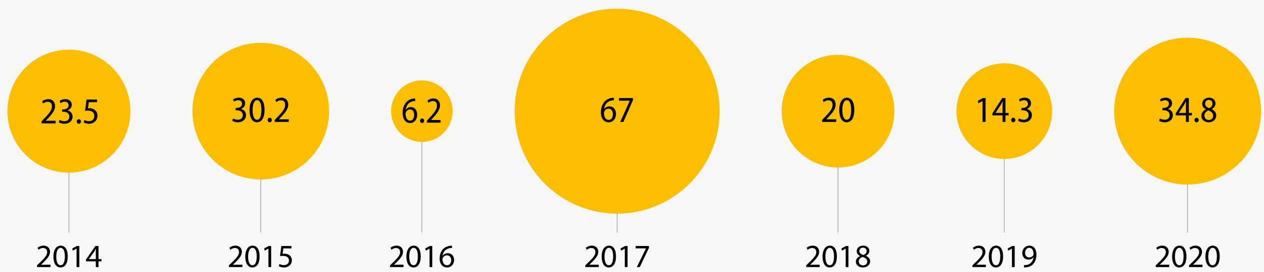
EOI is a means for accessing information held in foreign countries to supplement information available domestically so that tax auditors and investigators can have a holistic view of the taxpayer's activities to better enforce their domestic tax laws. African tax administrations are now using the widened EOI networks to send more requests, and the information received is used to support compliance activities and bring previously untaxed income into the tax bracket.

Whereas the COVID-19 pandemic may have slowed down the activities of many tax administrations, the revenues generated by information received because of EOI requests sent by African countries continued to rise, even surpassing pre-pandemic times (see Figure 17). In 2020, Uganda alone identified USD 43.2 million (EUR 34.7 million) having sent 33 requests, which means an average of USD 1.3 million (EUR 1.1 million) per request sent. In total, since 2009, EOI has enabled African countries to identify over EUR 1.2 billion of additional revenues (tax, interest and penalties) through offshore tax investigations including EOIR and VDPs launched prior to the beginning of the implementation of the AEOI standard. This includes over USD 244 million (EUR 196 million) in additional tax identified from EOIR by a group of eight African countries (Burkina Faso, Cameroon, Kenya, Senegal, South Africa, Togo, Tunisia and Uganda) between 2014 and 2020.

The revenues raised as a result of EOI already highlight that combatting cross-border tax evasion and avoidance through EOI is one way of raising additional revenues for the post COVID-19 recovery. Going forward transparency and EOI can play a critical role and raise more revenues.

The following case studies provided by some African countries highlight the usefulness of EOI and explain how EOI can support tax audits and investigations resulting in additional revenues. As Box 4 demonstrates, EOI may be useful beyond enabling auditors to complete and validate their assessments: it can provide relevant evidence that can be used by the tax administration in tax cases before a tribunal or court. Box 5 provides an illustration of the importance of having in place an EOI network pursuant to which a country can request information and use it to protect its tax base.

FIGURE 17. **Revenues identified as a result of EOIR since 2014, in EUR (millions)**




**Note**: The graph reflects the situation for the 34 African countries which provided data. The 2021 data includes feedback from six new respondents who did not participate in last year's survey (Angola, Congo, Sierra Leone, Gambia, Zambia and Zimbabwe) but excludes feedback from three countries (Guinea-Bissau, Niger and Malawi) who participated in last year's survey but did not provide feedback for this year's survey.

**Source**: Responses provided to questionnaire by African countries

BOX 4. **KENYA: How EOI can supplement tax litigation**

In the course of a tax investigation, the Kenya Revenue Authority (KRA) investigators obtained information from local banks indicating huge transactions involving an account belonging to Mr "S" which were traced from foreign jurisdictions: there were huge transfers from Bank "A" in jurisdiction "M" to the taxpayer's local bank accounts in Kenya.

Mr "S" attributed the deposits to a loan acquired from Bank "A". However, he could not provide a loan agreement or loan statement to confirm if this was indeed a loan. Investigations in Kenya indicated that Mr "S" had not declared several sources of income and it was therefore important to confirm if the loan existed.

Kenya sought to confirm if a loan existed between Bank "A" and Mr "S". Kenya requested Jurisdiction "M" to provide loan statements and other relevant documents from Bank "A" so as to confirm if the source of the money deposited in the account of Mr "S" in Kenya was a loan.

The tax issues raised in the investigation were:

- Failure to report taxable consultancy fees earned from Bank "B" and organisation "C" in Kenya;
- Under declaration of share of profit earned from Company "K" in a second foreign jurisdiction "N"; and
- Under declaration of rental income earned in Kenya.

The tax amount involved in this case was KES 133 million (EUR 1 million).

The case involved Kenya, jurisdiction "M" and jurisdiction "N". Kenya had a legal instrument allowing for EOI with jurisdiction "M" in force but did not have an EOI relationship with jurisdiction "N", and therefore, no request could be sent to jurisdiction "N".

Kenya requested bank statements for both current account and loan accounts that Mr "S" may have had with Bank "A" from jurisdiction "M". The information was requested and received within 11 months.

The information received enabled KRA to provide evidence at the Tax Appeals Tribunal that there was no loan between Bank "A" and Mr "S" and therefore the deposits should be treated as income and taxed.

The final outcome of the case was as follows:

- KRA had issued an initial assessment of KES 133 million (EUR 1 million). The Tax Appeals Tribunal ruled that Mr "S" owed KRA principal taxes of KES 50.6 million (nearly EUR 396 000). This was largely due to the fact that the assessment period was reduced from seven years to five years.
- Following the ruling, recovery measures were initiated by KRA.

Kenya Revenue Authority

**Relevant persons**

| Kenya | Jurisdiction M | Jurisdiction N |
|---|---|---|
| Mr "S" – A High Net Worth Individual in Kenya<br><br>Bank "B" - The taxpayer earned income from this bank as a director | Bank "A" where the transfers into Kenya originated from | Company "K" – Mr "S" was a senior partner and earned share of profits. |

**Note**: The names used in this illustration have been anonymised to protect the taxpayer's identity.

**Source**: Kenya Revenue Authority

## BOX 5. **UGANDA: How EOI can help protect the tax base**

Bella is an entity domiciled in Country "A" which does not have a treaty with Uganda. Bella created a holding entity in country "B" (still no treaty agreement between Uganda and country "B"). The Bella holding entity in country "B" further created another holding entity in Country "C", named as holding entity Bella "C". Country "C" has a treaty with Uganda

Until 2018, Bella "C" was the majority shareholder in City Uganda Holdings in Uganda.

In 2016, Bella "C" entered into a purchase and sale agreement with POLLA Limited in Country "D" to sell off all its interests in City Uganda Holdings.

Bella "C" applied to Uganda Revenue Authority (URA) for a private ruling relating to the transaction between itself (Bella "C") and POLLA, seeking to use the terms of the treaty between Uganda and country "C" for this transaction.

In 2018, Bella "C" disposed of its entire shareholding interest in City Uganda Holdings to POLLA Limited, incorporated and resident in Country "D".

The URA raised an assessment and the taxpayer objected to the assessment on ground that the sale of Bella "C" shares in City Uganda Holding was not a disposal of immovable property located in Uganda and hence any gain arising from the sale was taxable only in Country "C". They also argued that the contract for sale was negotiated, executed and concluded outside Uganda and that Bella business activity takes and took place in Country "C".

Bella appealed the assessment to the Tax Appeals Tribunal for redress.

Uganda initiated an EOI request with Country "C" in order to substantiate the potential economic value creation attributable to the Ugandan subsidiary, the group structure of Bella "C", and its beneficial ownership owing to anti treaty shopping clause in Ugandan Laws.

The EOI request comprised of the registration status, incorporation, group structure, nature of business, Board resolutions and minutes, shareholding agreements, financial statements, annual income returns, "Pay-As-You-Earn" returns, and powers of attorney granted by Bella as well as its beneficial ownership structure.

The information received from country "C" confirmed the following:

- The group structure and related financial statements including the "Pay-As-You-Earn" returns demonstrated that the Ugandan subsidiary was a key element in the value creation chain for Bella Holdings.
- Bella's control and beneficial ownership pointed to the fact that Bella "C" could not invoke the terms of the treaty between Uganda and country "C".

Based on this information, Uganda confirmed the fact that it had taxing rights over the disposal of Bella "C" shareholding interests in City Uganda Holdings to POLLA Limited, in Country "D". The taxpayer consented and paid the tax liability amounting to USD 26 million (EUR 22.5 million) including penalties and interests.

**Note**: The names used in this illustration have been anonymised to protect the taxpayer's identity.

**Source**: Uganda Revenue Authority

URA
Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

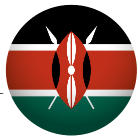
4

# African safari: Country experiences in tax transparency and exchange of information

*"The work of the Africa Initiative has been crucial in delivering a wide capacity-building effort on the continent. In few years, this support has provided Tunisia with the opportunity to align with international tax standards and practices, to ensure a high level of tax transparency and to build a culture of exchange of information in our tax administration. This has translated into additional revenues in Tunisia, as it is the case in some other African countries."*

**Mr Sami Zoubeidi**, Director General of Taxation, Tunisia

## KENYA: THE TAX TRANSPARENCY AND EXCHANGE OF INFORMATION JOURNEY



### *Implementation of exchange of information upon request*

***When did EOIR become a priority for Kenya?***

EOIR became a priority in 2010 when Kenya joined the Global Forum as one of the earliest African member countries. Since then, Kenya has maintained an active role including serving as a member of the Steering Group, providing assessors to the Global Forum's peer reviews and lately volunteering to Chair the Africa Initiative in 2021.

***What motivated Kenya to make EOIR a priority?***

Kenya is committed to enhancing domestic resource mobilisation by implementing data driven compliance mechanisms such as EOI. EOIR provides an opportunity for KRA's tax auditors and investigators to obtain information that was previously not accessible to them whilst auditing or investigating cross border transactions. EOIR is therefore a priority as it is a tool that can assist KRA to enhance tax compliance and raise more tax revenues.

***What steps were taken to make EOIR a priority?***

Some of the steps that were taken to make EOIR a priority include:

- Recognition by top management that EOI is a tool that can facilitate the acquisition of information not available within Kenya's jurisdiction.
- Inclusion of EOI initiatives as one of the key tools to combat cross border tax evasion and boost revenue collection in the KRA Corporate Plan.
- Collaboration with external stakeholders such as the National Treasury, the Attorney General's Office and the Central Bank on matters concerning EOI.
- Setting up a fully functional and well-resourced EOI Unit.
- Prioritising the participation of KRA officials in regional and international fora on EOI including serving as a member of the Steering Group of the Global Forum, chairing the Africa Initiative in 2021, contributing to the work of the ATAF EOI Technical Committee and providing assessors for the Global Forum's peer reviews. This participation is given priority as it is seen to be a tool to enhance EOI knowledge as well as build internal EOI capacity.

***What role did leadership (administrative and political) play in making EOIR a priority?***

The KRA top management has played a critical role in ensuring that EOIR becomes a priority. They proposed and justified to the National Treasury and Planning the need for Kenya to join the Global Forum. In addition, they have allocated sufficient resources to support the implementation of the EOIR standard, including delegation of Competent Authority powers to the KRA Commissioner General and supporting the establishment of the EOI Unit. The top management has also engaged with relevant government offices and officials to ensure necessary approvals and ratification of EOIR instruments were obtained. On their part, the government offices supported KRA's initiatives for implementing the EOIR standard by ensuring that relevant domestic and international legal instruments are in place. The collaboration between KRA and other government ministries and agencies have resulted in the successful uptake of EOIR in Kenya.

***How has the EOI function evolved from inception to date?***

As a member of the Global Forum, Kenya committed to implement the EOIR standard and to be peer reviewed. The first EOI office was established within the International Tax Office Division in the Domestic Taxes Department to support the first round of peer review, which was carried out in 2013 (Phase 1) and 2016 (Phase 2). Kenya was rated "Largely compliant". However, the officers allocated to this Unit also performed other functions.

Kenya had a narrow EOI network comprising 15 double taxation agreements. To expand the network of EOI relationships, Kenya signed the MAAC in 2016 and deposited the instrument of ratification with the OECD in July 2020. The MAAC entered into force in Kenya in November 2020 allowing Kenya to significantly expand the potential exchange partners from 15 to include more than 140.

Kenya also moved to streamline the EOI functions by moving the EOI Unit to the Intelligence & Strategic Operations Department in 2018. Management allocated three officers to the Unit to exclusively handle EOI matters. In addition, the KRA Commissioner General appointed the Commissioner of Intelligence and Strategic Operations delegated Competent Authority. Finally, management also recruited additional staff and the EOI unit now has five staff handling EOI and other Competent Authority duties. The office will be undergoing further re-organisation as Kenya has committed to implement the AEOI standard and to begin the first exchanges in 2022.

The activities of the EOI Unit are testimony to the commitment to make EOI an integral tool for audits with cross-border elements. Whereas Kenya did not send a single request between 2014 and 2017, the number of outgoing requests has steadily increased from 1 request in 2018 to 17 in 2019 and now 73 in 2020. This number is expected to increase exponentially now that the MAAC has come into force and greatly increased Kenya's EOI relationships to over 140. The number of requests that Kenya is receiving has also increased significantly, i.e. 2 requests in 2016, 4 requests in 2017, 3 requests in 2018, 9 in 2019 and 53 in 2020. Overall, Kenya is a net sender of requests (see Figure 18).

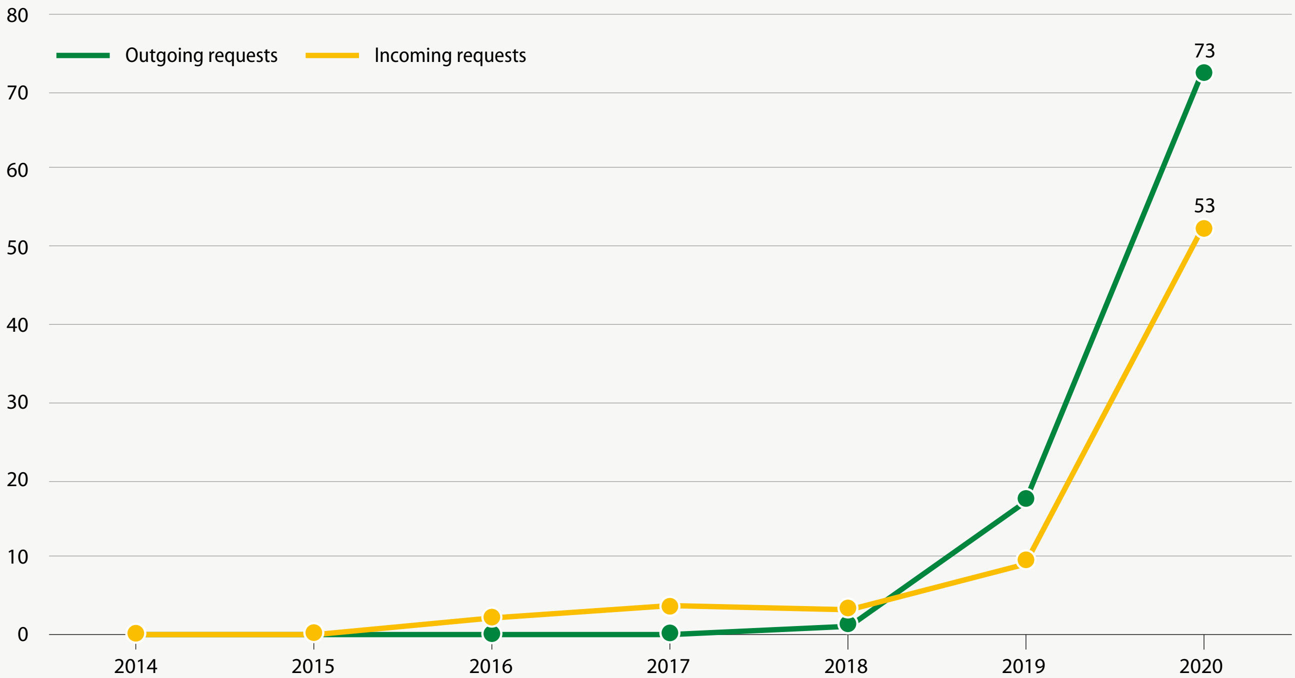
Kenya has developed an EOI manual to guide the handling of outgoing and incoming EOI requests and put in place a tracking system of logging, validating and working the requests with a view to meeting the requirements of the EOIR standard as regards the quality of requests and responses and the timeliness of response to the exchange partners. The guide also informs auditors, investigators and other enforcement officials of when and how they can request information from other jurisdictions to support their work. Kenya has also opened a generic email for the Competent Authority to streamline communication with treaty partners. This email is accessible only to the Competent Authority staff and enables sending and receiving encrypted email.

***What other steps has Kenya taken to comply with the EOIR standard?***

Kenya's implementation of the EOIR standard was peer reviewed during the First Round of EOIR reviews and rated "Largely compliant". Kenya has taken steps to implement the recommendations from this round of reviews to ensure compliance with the EOIR standard.

Kenya received technical assistance from the Global Forum Secretariat to improve its implementation of

FIGURE 18. **Evolution of requests sent and received by Kenya since 2014**




**Source**: Kenya Revenue Authority

the EOIR standard, including signing and ratifying the MAAC. EOI staff have benefitted from training conducted by the Secretariat while auditors and investigators took part in Last Mile Seminars, leading to uptake of EOI to complement tax audits and investigations. Kenya has amended its legal framework, in particular to provide for the availability of and access to beneficial ownership information by the Competent Authority as required by the standard. Lastly, Kenya underwent a mock on-site preliminary assessment of the EOIR legal framework and its implementation in practice in 2019 to enhance its preparedness for the Second Round of Reviews, which was launched in the last quarter of 2020.

***Is EOIR contributing to the domestic resource mobilisation efforts?***

KRA monitors the impact of information received on an annual basis and can confirm that EOI is contributing to the DRM efforts. For example, information received from a partner jurisdiction provided sufficient evidence that enabled KRA to prosecute a tax matter relating to a tax assessment of approximately USD 1.3 million (EUR 1.6 million) in 2019 and USD 104 690 (EUR 89 056) in 2020 respectively. It is expected that the contribution of EOI will increase as KRA auditors and investigators send more requests to augment the information obtained domestically.

***What are the lessons learnt to date in the implementation of the EOIR standard that Kenya can share with other countries?***

Effective participation in EOI requires the country to have an international legal instrument that provides for EOI in tax matters. It may also require changes to the domestic legal framework. It definitely requires resources to be set aside to support the establishment of an EOI unit, staffing it and ensuring that the relevant officials are well trained. It is therefore important to engage the top management of the tax administration to buy-in into EOI. It is equally critical that the leadership of the tax administration engage the relevant government offices to get support to join and ratify the international EOI agreements, pass domestic legislation for EOI and get more resources allocated to the tax administration to carry out EOI functions. Bodies like the Global Forum, ATAF and other development partners can also provide training opportunities to enhance EOIR knowledge and to build the requisite capacity in the organisation.

### *Implementation of automatic exchange of information*

***What motivated Kenya to commit to implement the AEOI standard?***

Kenya has been implementing the EOIR standard and has lately started identifying revenue with the help of information received from its exchange partners. To acquire information under the EOIR standard, KRA must have started an audit or launched an investigation into the tax affairs of the concerned taxpayers. However, audits are launched based on a risk management framework and on a sample basis.

Unlike EOIR, the AEOI standard will enable Kenya to receive financial account information on Kenyan residents from other jurisdictions, without request, on a periodic basis. This will supplement KRA’s risk analysis for more targeted audits and investigations, and EOI requests. In addition, Kenya has analysed the data coming out from voluntary disclosure programmes launched by other jurisdictions prior to their first exchanges under the AEOI standard and is convinced of the deterrence value of AEOI. Kenya therefore believes that the implementation of the AEOI standard will effectively help combat tax evasion and IFFs, increase the levels of tax compliance and raise tax revenue.

***What was the role of leadership (administrative and political) in making this commitment?***

The leadership of KRA learned from its implementation of the EOIR standard that there is a need for administrative leadership and political buy-in. KRA leadership therefore worked closely with the National Treasury to explain the benefits of implementing the AEOI standard and the process. On its part, and following consultations with the Executive and other relevant stakeholders, the National Treasury and Planning, through a letter signed by the Cabinet Secretary, committed Kenya to implementing the AEOI standard and commence the first exchanges by 2022.

***What steps has Kenya taken in its AEOI journey?***

Kenya has taken several steps towards implementing the AEOI standard including the following:

- Kenya ratified the MAAC in July 2020 and it entered into force on 1 November 2020.
- Kenya made the official commitment to implement the AEOI standard by letter of the Cabinet Secretary, National Treasury and Planning of September 2020.

- A task force comprising of key relevant government agencies has been set up to oversee the establishment of the essential building blocks for effective implementation of the AEOI standard. This task force has developed a roadmap for AEOI implementation.
- The drafting of legislation, translating the CRS requirements into domestic law, is ongoing. It is projected that the draft legislation will be finalised and passed into law by June 2021.
- The procurement on an IT system for AEOI implementation is ongoing.
- Initial consultations with financial institutions are ongoing.
- The EOI Unit is working with the relevant stakeholders, including receiving technical assistance from the Global Forum Secretariat, to ensure the recommendations from a technical assistance report are implemented ahead of the actual data security and confidentiality assessment.

***What are the lessons learnt to date that Kenya can share with other developing countries?***

So far, the key lessons include the following:

- The tax administration must develop a business case for participation in AEOI. This is useful for obtaining the necessary approvals and support.
- Implementing the AEOI standard is resource intensive. It is therefore critical to engage the top management of the tax administration to obtain their buy-in and support before relevant government offices, for example, the minister for finance can be approached for support. Participation in AEOI requires both support from the tax administration and political support from outside the tax administration.
- The tax administration cannot implement the AEOI standard on its own. It is therefore important that the tax administration reaches out to, and forges a working relationship with, relevant stakeholders including the Attorney General's office and supervisory bodies for financial institutions such as the Central Bank, among others.
- Effective implementation of the AEOI standard is dependent on the financial institutions understanding and meeting their obligations under the domestic laws incorporating the requirements of the CRS. It is important to consult with the financial institutions to elaborate on the approach taken by the country and the resulting obligations.
- Technical assistance provided by partner institutions is useful. Kenya has received substantial support from the Global Forum Secretariat and will continue to partner with it on various aspects of the AEOI journey.

## RWANDA: JOINING THE INTERNATIONAL EFFORTS TO TACKLE TAX EVASION THROUGH TAX TRANSPARENCY AND EXCHANGE OF INFORMATION

***Why did Rwanda decide to become a member of the Global Forum in 2017?***

EOI is a key tool for combating IFFs, particularly cross-border tax evasion, and the Global Forum plays a leading role on the implementation of global transparency and EOI standards around the world. Rwanda joined the Global Forum to affirm its commitment to the world to implement the international standards on EOI, align its tax systems with the international standards on EOI, to use EOI to combat offshore tax evasion and avoidance as part of its DRM strategy and benefit from the capacity building programmes of the Global Forum.

***Was this an administrative decision (at the level of the tax administration) or a political decision driven by the Ministry of Finance?***

Both had interest in joining the Global Forum. It is both a policy decision to commit to fight tax evasion and avoidance and an administrative decision to ensure that all efforts are put in place to achieve this objective.

***Why does Rwanda actively participate in the Africa Initiative?***

Over the last 50 years, Africa is estimated to have lost in excess of USD 1 trillion in IFFs, which is roughly equivalent to all of the Official Development Assistance received by Africa during the same timeframe. Furthermore, currently, Africa is estimated to be losing more than USD 50 billion annually in IFFs and this keeps increasing each and every year.

Rwanda, with the target of learning from other developing countries' experience and jointly work to address IFFs challenges, became a party to the Africa Initiative in 2017. Hosting the 6th Africa Initiative meeting helped Rwanda to raise internal awareness on the benefit of transparency and EOI in combating cross border tax evasion and avoidance, and the need to combat IFFs. Moreover, it is important to note that the Africa Initiative helps countries meet the requirements of the tax transparency standards, including on beneficial ownership, and ensure that African countries are able to seize the opportunity offered by automatic exchange of financial account information by strengthening the tax administration's capacity.

***What lessons did Rwanda learn from hosting the Africa Initiative meeting?***

Different countries were at different stages in implementing the international standards for transparency and exchange of information for tax purpose. Some had already gone through the EOIR peer review process while others were yet to be reviewed, including Rwanda. The meeting was a great opportunity to exchange experience and learn from each other as well as to explore new measures to address the challenges in terms of tax policy and tax administration aiming at increasing DRM and fighting IFFs.

***Why does Rwanda believe that the Africa Initiative is central for the promotion of tax transparency and exchange of information in Africa?***

With 32 countries from across the continent now participating in the Global Forum, it proves the growing interest of African countries in EOI as tool for combating IFFs and enhancing DRM. Having in mind that most of these countries are developing ones with fragile and limited resources in tax policy and tax administration, there is a need to support their commitment through capacity building and awareness. Rwanda strongly believes that the Africa Initiative is well-positioned to support African countries and a good platform for sharing experience and therefore commends the Global Forum for this Initiative and for its commitment to helping African countries.

***What are the main benefits of being a member of the Global Forum and participating in the Africa Initiative for Rwanda?***

Being a member of the Global Forum has enabled Rwanda to:

- Access the capacity building and support provided by the Global Forum Secretariat to help in implementing the standards of EOIR and AEOI, including an assessment of Rwanda's legal framework for EOI.
- Share knowledge and experiences on how to leverage EOI to combat IFFs and enhance DRM with other peers from all over the world.
- Access to the Global Forum peer review processes. A satisfactory rating will indicate Rwanda's compliance to the international standards and improve Rwanda's global reputation as a business and investment hub.
- Participate in the work of the Global Forum on equal footing with other jurisdictions.
- Reaffirm Rwanda's profile as a reliable location in which to do business, knowing that compliance with the Global Forum standards assists jurisdictions responding to any lists pertaining to non-cooperative jurisdictions in tax transparency matters.

Key benefits from being part of the Africa Initiative can be summarised as:

- Learn from experience of other developing African countries in order to improve the tax transparency in a bid to fight against tax evasion and other forms of IFFs;
- Help Rwanda foster political attention on the benefits of tax transparency and EOI as a tool for combating IFFs;
- Help Rwanda raise awareness and build capacities in EOI and ensure the use of EOI to enhance DRM;
- Take part in shaping the discourse on tax transparency and EOI in Africa.

***What does Rwanda think about the induction programme for new members?***

Rwanda's Induction Programme was launched during a visit to Kigali, Rwanda on 8-9 February 2018 led by the Head of the Global Forum Secretariat.

With the support from the Global Forum Secretariat many achievement were celebrated, to list a few of them:

- Rwanda has benefitted from technical assistance gap analysis exercise that reviewed its legal framework and its implementation in practice against the EOIR standard. A comprehensive report, which identified key gaps to be addressed and recommendations prior to the peer review expected in the second quarter of 2023, was delivered.

- A successful Global Forum on-site visit in Rwanda to assess the organisation and practice of transparency and to help put in place an appropriate EOIR infrastructure.

- Putting in place an EOI National Implementation Steering Committee.

- A three days training has been conducted with trainers from Global Forum Secretariat whereby all members of the EOI National Implementation Steering Committee were trained.

- An invitation from the OECD Secretary General to sign the Convention on Mutual Administrative Assistance in Tax Matters was received in December 2020.

Rwanda is taking steps to implement the activities roadmap for the Induction Programme and is receiving assistance from the Global Forum Secretariat, for example to review its Company law and the newly introduced AML/CFT law to ensure consistency with the requirements of the international standards on EOI.

***Rwanda was recently invited to sign the Convention on Mutual Administrative Assistance in Tax Matters after completion of the convention's specific confidentiality process. Why did Rwanda decide to launch the process to join this convention and what are the benefits foreseen?***

Rwanda has only 12 Double Tax Agreements in force, and may therefore not be able to obtain information from countries outside of this narrow network. The lack of information for the tax administration is one of the factors that drives the cross-border tax evasion and avoidance. By signing and depositing a MAAC ratification instrument, Rwanda will be able to exchange information with more than 140 jurisdictions to support transfer pricing audits and efficient tax sharing rights in terms of source profit attribution. The MAAC will also provide a platform for a wide variety of mutual administrative assistance as well as enable Rwanda to have EOI relationships that are aligned to the international standard.

***Beyond the domestic resource mobilisation agenda, how can tax transparency support Rwanda's broader economic agenda in the context of the launch of the Kigali International Financial Centre?***

In a move to boost inbound investment and positioning Rwanda as a financial hub in Africa, Rwanda is preparing the launch of the Kigali International Financial Centre (KIFC). This project is aimed at attracting more international financial players to Rwanda increasing the need to exchange information with other countries following the AEOI standard. Rwanda has already started a comprehensive review of its laws and regulations to support the development of the KIFC such as the new Data Protection Law. Implementation of the AEOI standard will help the development of the KIFC as it showcases Rwanda's commitment to abide by international standards.

***What are the next steps on the tax transparency agenda in Rwanda?***

Next step for EOIR:

- Signing the MAAC and depositing the instrument of ratification.
- Training of Rwanda Revenue Authority EOI officers, auditors and investigators on EOIR.
- Monitoring the implementation of the Induction Programme action plan.
- Preparation for the peer review (mock on-site visit if possible), as Rwanda will undergo its first peer review in 2023.

Next steps for AEOI:

- Commitment to implement the AEOI standard and start first exchanges by agreed timeframe.
- Embark on the process of implementing the AEOI standard, including working to meet the confidentiality and data safeguard requirements, passing the legislation and establishing the administrative and technical capability to send and receive, process, and use the AEOI data.

The above next steps are part of the Rwanda's Induction Programme Roadmap with the Global Forum. Rwanda is confident that with the technical support of the Global Forum Secretariat, it will make tremendous progress in the implementation of the tax transparency standards over the coming years, to be able to demonstrate the benefit of tax transparency and EOI in DRM and the fight against IFFs in Rwanda.

### SENEGAL: COMPLEMENTING EXCHANGE OF INFORMATION WITH AN EFFECTIVE RECOVERY OF TAXES THROUGH CROSS-BORDER ASSISTANCE.

Cross-border assistance in the recovery of tax claims is another form of international co-operation in tax matters. Improvements in tax transparency mean that tax administrations are able to access the information on their taxpayers' assets held abroad, which makes it easier to recover the tax debts by activating the cross-border assistance mechanism. Cross-border assistance in tax recovery has been identified by Africa Initiative members and other developing countries as an area where further work should be carried out to ensure that countries are able to collect taxes when it is not possible to do it domestically. While this work is starting, some African countries have already embarked in the implementation of cross-border assistance in recovery, with some interesting results. This is the case for Senegal which has used this form of assistance in seven cases of tax collection over the past five years with three jurisdictions in Europe, two jurisdictions in Africa and one jurisdiction in the Caribbean. Overall, close to USD 3.3 million (EUR 2.65 million) have already been recovered for Senegal in two of these cases, which are summarised below.

#### *CASE 1: Nearly USD 279 000 (EUR 224 500) recovered for Senegal by an African jurisdiction*

The *Direction Générale des Impôts et Domaines*, the Tax administration of Senegal, undertook a tax audit of a corporate taxpayer, which resulted in an assessment on various taxes (Financial Activity Tax, Value Added Tax and Corporate Income Tax) amounting to nearly USD 279 000 (EUR 224 500).

As the taxpayer did not pay the due amount, the tax administration launched the tax debt recovery procedure which included issuing third parties notices (e.g. to banks and other financial institutions). This resulted in seizures of working materials and a mortgage registration. These measures did not, however, lead to a recovery of the debts because of an unexpected move of the taxpayer without informing the tax administration.

Following an investigation, the tax administration collected some evidence that the taxpayer organised his insolvency by moving to another WAEMU member state. The evidence included the new address and telephone contacts of the taxpayer in that country.

The tax administration then decided to submit a request for cross-border assistance in the recovery of tax claims to the country. The request was based on the following international legal instruments all in force between Senegal and the said country:

- The WAEMU instrument (Regulation 08/2008/CM UEMOA of 26 September 2008 on the tax convention of WAEMU member states, articles 34 and 35).
- The MAAC.

No request for clarifications was received from the requested country on this case. After around one year the requested country collected and transmitted to Senegal the total amount of the claims, i.e. USD 279 000 (EUR 224 500).

Senegal did not encounter any particular difficulties given the fact that it shares the same community space with the requested country and was in possession of relevant information regarding the taxpayer. In addition to this favorable situation, officials from the two countries' tax administrations enjoy good working relationships.

According to the Senegalese tax authorities, the key lessons learnt from this assistance are that the level of precision, clarity, and conciseness in drafting the request is crucial to the success of cross-border assistance in tax collection; and that the promotion of cross-border recovery of tax claims at the level of regional economic communities through effective and practical mechanisms is important to the fight against tax evasion in Africa.

***CASE 2: Nearly USD 3 million (EUR 2.4 million) recovered for Senegal by a Caribbean jurisdiction***

Following a tax audit, the Senegalese tax authorities raised an assessment on various taxes including the corporate income tax and withholding taxes, for a total amount of USD 27.8 million (EUR 22.4 million).

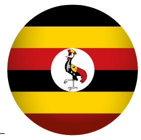
After exhausting its domestic collection procedures without success, as there were no assets identified in Senegal belonging to the taxpayer concerned, the tax administration requested the assistance of a foreign jurisdiction (a Caribbean jurisdiction) with which Senegal has an agreement for administrative assistance in cross-border recovery of tax claims in force (the MAAC). The request was made on the basis of the information obtained from the audited taxpayer which indicated the connexion with the foreign jurisdiction.

The assistance took one year and resulted in a positive answer from the requested jurisdiction which collected and transmitted to Senegal an amount of USD 2.9 million (EUR 2.4 million).

According to the Senegalese authorities, the outcomes of this assistance show that:

- The MAAC is a particularly effective instrument for breaking down the “barriers” erected by jurisdictions once considered “non-cooperatives in tax matters”;
- The MAAC is a credible alternative to bilateral or regional agreements as it allows signatory countries to benefit from a broad network of partner jurisdictions for all forms of international tax co-operation;
- Transparent and diligent co-operation among jurisdictions in the area of cross-border assistance in recovery of tax claims complements EOI in the fight against international tax evasion as it allows tax authorities to collect the revenues due even when taxpayers or their assets are located outside the country.

## UGANDA: THE ADDED VALUE OF EXCHANGE OF INFORMATION TO A SUCCESSFUL TRANSFER PRICING AUDIT



Uganda joined the Global Forum in 2012 with the objective of putting in place the appropriate framework to use EOI as a tool to improve its domestic resource mobilisation. Among the policy decisions taken towards this objective, Uganda rapidly expanded its network of EOI agreements by signing and ratifying the MAAC which entered into force on 1 September 2016 in respect of Uganda. The Uganda Revenue Authority (URA) established a functioning central EOI unit in 2014 and initiated strategic engagements with other government stakeholders to improve the tax transparency landscape in Uganda. Uganda’s EOIR legal framework and practice was reviewed by the Global Forum and overall rated as “largely compliant” in 2016.

While aligning its EOIR framework with the international standard, the URA took steps to build a culture of EOI across the organisation and make it a useful tool in its compliance strategy. EOI is now used to strengthen tax audits and raise more revenues, especially in the area of international taxation.

The following case highlights the added value of EOI to a successful transfer pricing audit undertaken by the URA Transfer Pricing Unit which is part of the International Taxation Division of the Domestic Taxes Department. The case was identified for audit as a result of information from the public domain that pointed to certain risk indicators about the operations of Company “A” in Uganda. Company “A” is a subsidiary of Company “B”, a group entity located in Country “B”. Other subsidiaries that formed part of the risk identification process for a transfer pricing audit include Company “C”, in Country “C” and also a subsidiary of Company “B”. The Transfer Pricing team engaged with URA’s EOI team after several failed attempts to obtain information from Company “A” in Uganda. The information requested related to financial statements, tax returns, transfer pricing documentation, group structure etc. The case resulted in the collection of EUR 13 million due to the information obtained from foreign jurisdictions. The identity of the taxpayers has been anonymised since the case is not in the public domain hence the need to observe confidentiality of taxpayer information.

***Background and facts***

URA's Transfer Pricing Unit undertook a transfer-pricing audit as part of their routine audits.

The tax issues raised by the case involved the following parties:

- Company "A", a subsidiary of Company "B", is the taxpayer under audit and a resident of Uganda;
- Company "B", resident in Country "B" in Asia; and
- Company "C", resident in Country "C" in Africa.

Company "A" in Uganda is engaged in the purchase and distribution in the local market of fast-moving consumer goods (FMCG) manufactured by Company "B". Company "C" provides management services, licenses the use of the Group's brand and trademark and provides intragroup financing.

In particular, Company "A" carried out the following transactions with connected parties:

- Payment of management fees (as a percentage of sales) for strategic and management services provided by Company "C";

- Payment of royalty (as a percentage of sales) for the use of Company "C"'s brand including the trademark;

- Payment of interests (based on a fixed rate of 7%) to Company "C" for intragroup financing;

- Purchase of finished goods from Company "B".

URA performed a risk assessment exercise and highlighted the following indicators of transfer pricing risks:

- Company "A" has been reporting losses for the past five years;

- Company A has been paying for management services and royalty fees as a percentage of sales;

- The management services, license for the use of the brands and intragroup loan are paid to Company "C", which is resident in a low tax jurisdiction;

- Open source information revealed the operations of the Group entity comprising Company "A", "B" and "C";

- Open source information on the internet about Company "C" in "Country C" indicated that Company "C" was not listed as a corporate or operating subsidiary of the Group.

URA requested Company "A" to provide information about Company "C" in order to establish the following:

- The functional structure of Company "C" showing the departments and details of staff (names and their roles). This enabled the URA to establish the substance of Company "C"'s activities including the capacity to provide management services and to control the development of the brand in the Ugandan market.

- Financial statements and tax returns of Company "C" in order to analyse their cost structure and profitability;

- "Pay-As-You-Earn" returns and the payroll information in order to establish the number of staff and their remuneration. This was aimed at verifying their competencies and skills to provide the purported management services.

Company "A" responded to URA by saying that they had no access to information from companies in a foreign jurisdiction. This necessitated and justified the need to use EOI.

***EOI request made and information obtained***

The information requested from Country "C" in Africa included:

- Tax Registration status, addresses and business operations of Company "C";
- The functional structure of Company "C" showing the departments and staff details;
- Financial statements and tax returns of Company "C";
- "Pay-As-You-Earn" returns and the payroll information.

In a period of three months, the URA received a partial response from Country "C". Reconciliation meetings took place with the taxpayer while the URA EOI office worked to obtain the missing information and clarification from Country "C"'s Competent Authority. This led to the case being resolved after one year and six months.

### *Findings*

The information received from country "C" provided evidence that:

- The management staff of Company "C" in Country "C" were earning an average of USD 1000 compared to USD 5 000 earned by employees in Company "A" in Uganda. This was an indicator that most of the value-added functions were performed by Company "A" and not Company "C";
- Company "C" reported an operating profit margin of approximately 60% compared to 25% earned by the Ugandan entity;
- Company "C" outsourced some of the functions to both related and unrelated companies who were remunerated on a Cost-plus basis (and not a turnover that they charged the Ugandan entity);
- The advertising, marketing and promotional functions and associated costs were performed and paid for by the Ugandan entity and not Company "C";
- The functions of Company "C" in Country "C" were low-value/routine functions that should be rewarded based on a cost plus basis.

### *Conclusion of the issues*

The audit team established that the appropriate remuneration for management services in accordance with the functions performed, assets used and risks assumed by both Companies "A" and "C" should be based on the Cost Plus method.
The audit team also established that Company "C" was performing intellectual property administration functions, which should also be remunerated on a Cost Plus method approach.

With the overwhelming evidence provided with the help of EOI, the taxpayer (Company "A") agreed to the facts presented by the URA and to pay EUR 13 million after reconciliations and negotiations.

5

# Looking ahead

After 2020 being marked by the COVID-19 pandemic, 2021 must be a year of recovery for all countries, including on the African continent. States and governments have spent considerable sums of money to protect their populations and support their economies, and today DRM appears more necessary than ever. EOI is one of the essential tools that will enable this mobilisation by combating tax evasion and IFFs, improving tax compliance by individuals and companies.

After 2020 being marked by the COVID-19 pandemic, 2021 must be a year of recovery for all countries, including on the African continent. States and governments have spent considerable sums of money to protect their populations and support their economies, and today DRM appears more necessary than ever. EOI is one of the essential tools that will enable this mobilisation by combating tax evasion and IFFs, improving tax compliance by individuals and companies. The international co-operation needed to fight the COVID-19 virus is also necessary to promote and improve tax transparency, for the benefit of citizens.

To cope with the crisis, tax administrations have been able to adapt and continue their missions. Lessons can be learned in order to improve working methods, relations with taxpayers and the use of technologies. Co-operation is no exception to this phenomenon and the continuity of distance learning, the publication of guides and toolkits, and support for legislative reforms clearly show that the members and partners of the Africa Initiative have demonstrated their resilience and willingness to overcome this crisis.

With a new governance framework, the Africa Initiative will continue to bring the benefits of tax transparency to many countries. Political support for reforms, improvement of the legislative framework, especially with regard to beneficial ownership transparency, continued capacity building of EOI units and tax audit teams must continue. Capacity building activities will also continue to be delivered in collaboration with strategic partners such as ATAF, the AfDB, the AU Commission, the EU, CREDAF, WATAF and the WBG.

## CONSOLIDATING THE IMPLEMENTATION OF THE EXCHANGE OF INFORMATION ON REQUEST STANDARD

African countries still face challenges in implementing the EOIR standard. Consolidating the progress achieved by African countries since 2014 and supporting them in improving their EOI framework and operations will remain a priority of the Africa Initiative in the coming years.

The EOI network of African countries should continue to expand so that EOI relationships in line with international standards can be developed with jurisdictions from which African tax administrations may need information to better tackle tax evasion and other forms of IFFs. To that end, building on the Toolkit for Becoming a Party to the MAAC, African jurisdictions which have not yet done so will be encouraged to sign and ratify the MAAC and will be supported in this process.

Implementing an effective and operational framework to ensure availability and access to any information relevant for tax purposes is a core component of the EOIR standard. Therefore, assistance will continue to be provided to African countries in preparation of their EOIR peer review and to African countries which failed to obtain a satisfactory rating to help them address gaps and deficiencies, to ensure that African countries have a robust domestic framework to support their fight against tax evasion and other forms of IFFs. The priority given in 2020 to the challenging implementation of the beneficial ownership requirement will be pursued to ensure that African countries have an effective framework for the collection and holding of beneficial ownership information, with a focus on the multi-pronged approach which has proven its relevance and positive outcome on the assessments already carried out.

As peers, African countries should also continue to play a key role in the tax transparency work. EOIR assessor trainings to build capacity and equip officials with skills for carrying out the responsibilities of expert assessors and playing a more active role in the review of the peers and in the discussions concerning EOI in general will be organised. By playing their peer function, African countries contribute to the assessment of the level of compliance of other countries, participate in the international tax transparency agenda and also prepare for their own assessment.

Strengthening tax transparency capacity in African countries should also continue. This high-level priority for African tax administrations will be supported at the technical level through dedicated actions. These coherent actions will help tax administrations set up an effective EOI infrastructure, in particular with the establishment of functional EOI units and equipping them with well-trained staff. The Global Forum and ATAF joint toolkit on Establishing and Running an Effective Exchange of Information Function is a first building block, which will be complemented by a new EOI working manual, new monitoring tools (such as an EOI revenue monitoring tool and an EOI tracking tool available for EOI units), practical workshops on establishing functioning and well-resourced units for EOI and country-specific technical assistance.

Building an EOI culture across African tax administrations remains a key objective. African tax officials will be able to take free e-learning courses (available in different languages) developed by the Global Forum and its partners that cover various tax transparency topics. In addition, different regional and national trainings will be developed for EOI officers, tax auditors, tax investigators and other compliance officials to leverage EOI and promote its use as a tool for supporting tax administration functions. To support and accelerate EOI ownership and use, a "Train the Trainer" pilot project will be launched in Africa. This project seeks to create and support a highly skilled network of trainers who will effectively localise and multiply the acquired knowledge and skills domestically, and thus create a sustainable capacity within tax administrations in Africa.

Regional events will also take place to enhance regional tax transparency frameworks, as it is currently the case with ECOWAS and WAEMU in the context of the West Africa Fiscal Transition Support Programme funded by the EU.

### BUILDING ON AUTOMATIC EXCHANGE OF INFORMATION'S EARLY SUCCESSES IN AFRICA AND SPREADING IT TO OTHER COUNTRIES

The implementation of AEOI, though still limited on the continent, is progressing. Five African countries (Ghana, Mauritius, Nigeria, Seychelles and South Africa) have exchanged AEOI data in 2020. However, two of them (Ghana and Nigeria) have done so in a non-reciprocal basis as they have still to pass the robust confidentiality and data safeguards assessment for reciprocal exchanges. Due to travel bans as a consequence of Covid-19, the assessments which should have been performed in 2020 were postponed as no on-site visit could be made. The expectation is that, following the support provided, these countries will soon successfully pass their confidentiality and data safeguards assessment and start receiving financial account information from their AEOI partners.

Interest for AEOI is growing on the continent with Kenya and Morocco committed to start AEOI in 2022, bringing to seven the number of African countries implementing AEOI. In addition, assistance is provided to three other African jurisdictions (Cameroon, Senegal, and Tunisia) to help them determine a practical timeline for starting AEOI. Pilot projects will continue with experienced AEOI partner countries (Egypt and the United Kingdom; Morocco and France; Tunisia and

Switzerland). Building on the experience gained in assisting developing countries in implementing AEOI, African countries committed to AEOI will receive a comprehensive assistance, including on information security management (ISM). On the latter, tools such as a toolkit on confidentiality and ISM requirements, have been developed and used by the Global Forum's in-house ISM experts as well as those from Africa Initiative partners to assist jurisdictions in their implementation.

One of the main challenges for countries is the use of AEOI data. In order for AEOI to bring effective value, it is not only important that information on financial accounts is collected and reported; it is equally crucial that receiving jurisdictions use the data in the most effective manner. The potential use of AEOI data is many-fold; for example, improving compliance and customer service by pre-populating more asset-related fields within a tax return, deterring taxpayers from engaging in tax evasion practices, mapping the financial interests and cross-border operations of taxpayers and securing international debt collection activities. To facilitate knowledge sharing, peer learning and help African jurisdictions develop a sound strategy, actions will be initiated, including a workshop on effective use of CRS data to assist compliance activities.

## EXPLORING NEW TAX TRANSPARENCY AREAS

Co-operation in the field of tax collection can be highly useful in certain situations, in particular (i) where the taxpayer is not present in the country of taxation and has no assets located in that country or (ii) when the taxpayer has relocated his/her assets in another country. A technical working group will work on the state of play of assistance in cross-border assistance in tax collection in Africa. It brings together representatives from interested Africa Initiative members in charge of tax recovery in their respective administrations, to guide and contribute to a fact finding exercise aimed at understanding the current position of African countries in terms of tax collection in general and the conditions to fulfil for effective cross-border assistance in the recovery of tax claims. This preliminary work will serve further discussions of Africa Initiative members and future actions in this area.

The use of EOI information for non-tax purposes is also an area in which African countries have demonstrated an interest. In the coming years, work will be initiated within the Africa Initiative to advance this critical issue for tackling more effectively all forms of IFFs.

## ADVOCATING FOR TAX TRANSPARENCY AND EXCHANGE OF INFORMATION

Political awareness will remain a key pillar of the Africa Initiative. Political buy-in is critical for the implementation of the EOI standards. The annual publication of a TTiA Report is a means to raise the profile of tax transparency in Africa and show progress in implementation and use, and outcomes in terms of DRM. The official launch of these joint reports with the AU Commission and ATAF will continue to be an opportunity to convey the tax transparency message.

The leadership of the Africa Initiative will also play a central role in promoting and championing tax transparency in Africa, within regional economic blocks and at continental and international meetings.

Finally, meetings and interactions with decision-makers, senior officials, members of parliament, international and regional governmental organisations, civil society organisations, partners and supporters of the Africa Initiative will continue to punctuate the progress of the tax transparency agenda in Africa.

6

# 2020 Country-by-country progress

This chapter of the report presents the state of play and the progress achieved by African jurisdictions in 2020.

## ANGOLA

**Not a member of the Global Forum**
Non user of EOIR

Some elements of an EOI infrastructure are reportedly in place (EOI unit, EOI manual). In addition, the process for signing the MAAC was initiated in 2019. The first legal instruments allowing EOI came into force in 2020 with two treaty partners. Angola is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic resource mobilisation through the fight against tax evasion and other forms of IFFs. Four tax officials attended a training on EOI in 2020.

## BENIN

**Global Forum member since 2017**
Signatory of the Yaoundé declaration in 2017
Induction Programme (ongoing)
Non user of EOIR

The induction programme was launched in 2018 and its delivery is progressing. In particular, the MAAC was signed in 2019 and technical assistance is provided for the deposit. The process to implement an EOI infrastructure, including setting up an EOI unit, is also progressing. Technical assistance is provided for the implementation of the tax transparency and EOIR standard with an ongoing preliminary review of the legal framework in the view of the EOIR review to be launched Q1 2023. Two tax officials attended a training on EOI in 2020.

## BOTSWANA

**Global Forum member since 2011**
Tailored technical assistance (ongoing)
Non user of EOIR

In 2020, Botswana signed the MAAC. The implementation of the tax transparency and EOIR standard was found partially compliant in the second round of EOIR reviews in 2019 (it was rated largely compliant in the first round in 2016). Technical assistance was provided on the beneficial ownership framework to address the recommendations from the second round of EOIR review. Some elements of an EOI infrastructure are in place (delegation of the CA function, EOI manual). However, Botswana is yet to reap the full benefit of EOI in its DRM.

## BURKINA FASO

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
User of EOIR

The implementation of the tax transparency and EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. Technical assistance was provided in 2020 in regard to the legal framework and the EOIR practice, in preparation of the second round of EOIR reviews to be launched in Q2 2022. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.) to send and receive requests. The MAAC was signed in 2016 but the instrument of ratification, acceptance or approval has not been deposited yet. 13 tax officials attended a training on EOI in 2020.

## CABO VERDE

**Global Forum member since 2018**
Signatory of the Yaoundé declaration in 2019
Induction Programme (ongoing)
Non user of EOIR

The induction programme was launched in 2019 and its delivery is progressing. Cabo Verde deposited the instrument of ratification of the MAAC and it entered into force in 2020. Technical assistance is provided for the implementation of the tax transparency and EOIR standard in perspective of the second round of EOIR reviews scheduled for Q3 2023 and on the EOI unit manual with the WBG. 14 tax officials attended a training on EOI in 2020.

## CAMEROON

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2017
Tailored technical assistance (ongoing)
User of EOIR

The implementation of the EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. Technical assistance is provided for the implementation of the enhanced EOIR standard, including the availability of BO information, with a preliminary review of the legal framework and its practical implementation completed in the perspective of the second round of EOIR reviews to be launched in Q1 2023. The EOI infrastructure is in place (EOI Unit, dedicated staff, procedures, etc.). The MAAC has been in force since 2015. An EOI strategy is in place to promote the use of EOI to tackle IFFs. Revenue gains through EOI are monitored and the first results are encouraging. A preliminary assessment of the confidentiality and data safeguards framework for AEOI was carried out in 2019 and initial discussions have started. 12 tax officials attended a Global Forum training on EOI in 2020 and an internal training has gathered 60 tax officials.

### CHAD

**Global Forum member since 2016**
Signatory of the Yaoundé declaration in 2018
Induction Programme (ongoing)
Non user of EOIR

The induction programme was launched in 2016 but its delivery is facing some delays. The process to sign the MAAC has been initiated in 2017. Some elements of an EOI infrastructure are in place (in particular the EOI manual). The first EOIR review will be launched in Q4 2021.

### COMOROS

**Not a member of the Global Forum**
Signatory of the Yaoundé declaration in 2018

Comoros is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic revenue mobilisation through the fight against tax evasion and other IFFs.

### CONGO

**Not a member of the Global Forum**
Signatory of the Yaoundé declaration in 2018
Non user of EOIR

Some elements of an EOI infrastructure are reportedly in place. A conversation is ongoing between the Global Forum Secretariat and Congo regarding the membership. Congo is encouraged to accelerate the process of joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic resource mobilisation through the fight against tax evasion and other IFFs.

### CÔTE D'IVOIRE

**Global Forum member since 2016**
Signatory of the Yaoundé declaration in 2018
Induction Programme (ongoing)
Non user of EOIR

The induction programme was launched in 2016 and its delivery is progressing. The EOI infrastructure, including setting up an EOI unit, is in place and the drafting of an EOI manual is progressing. Technical assistance has been provided for the implementation of the EOIR standard, including the availability of beneficial ownership information, with a preliminary review of the legal framework and its practical implementation, in the perspective of the second round of EOIR review which was launched in Q4 2020. Four tax officials attended a Global Forum training on EOI in 2020.

### DJIBOUTI

**Global Forum member since 2017**
Signatory of the Yaoundé declaration in 2019
Induction Programme (to be launched)

Djibouti joined the Global Forum in 2017 and has reinforced its commitment to the tax transparency and EOI by signing the Yaoundé declaration. The launch of the induction programme will accelerate the move towards a strategy to strengthen its DRM through the fight against tax evasion and other IFFs. The first EOIR review will be launched in Q4 2022.

### EGYPT

**Global Forum member since 2016**
Signatory of the Yaoundé declaration in 2019
Induction Programme (ongoing)

The induction programme was launched in 2017 and its delivery is progressing with some delays. Most of the elements of an EOI infrastructure are in place (delegation of the competent authority function, EOI unit and tools) and the drafting of an EOI manual is progressing. A wide EOI network is in place but not fully in line with the international standards. Technical assistance is provided for the implementation of the EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews to be launched in Q1 2022. Technical assistance also covers the process to become a party to the MAAC. 11 tax officials attended a Global Forum training on EOI in 2020.

### ESWATINI

**Global Forum member since 2018**
Signatory of the Yaoundé declaration in 2020
Induction Programme (ongoing)
User of EOIR

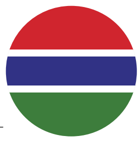
The induction programme was launched in 2019 and its delivery is progressing. Eswatini signed the MAAC in September 2020 and deposited its instrument of ratification in April 2021. Most of the elements of an EOI infrastructure are in place (delegation of the competent authority function, EOI manual and tools) and the setting up of an EOI Unit is progressing. Technical assistance is provided for the implementation of the EOIR standard, including the availability of beneficial ownership information, in the perspective of the second round of EOIR reviews to be launched in Q3 2023. Eswatini was greatly involved in capacity building activities with 38 tax officials attending a Global Forum training on EOI in 2020.

### GABON

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
Non user of EOIR

The implementation of the EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. The second round will be launched in Q1 2021. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). The MAAC was signed in 2016 but is yet to be ratified. seven tax officials attended a Global Forum training on EOI in 2020.

### GAMBIA



**Not a member of the Global Forum**
Non user of EOIR

Some elements of an EOI infrastructure are in place. The Gambia is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic resource mobilisation through the fight against tax evasion and other IFFs. Three tax officials attended a Global Forum training on EOI in 2020.

### GHANA

**Global Forum member since 2011**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
User of EOIR
First AEOI exchanges in 2019

The implementation of the EOIR standard was found partially compliant in the second round of EOIR reviews in 2018 (it was rated largely compliant in the first round in 2014). A training for the Registrar of Companies and the Ghana resource Authority on the requirements of the EOIR standard and the implementation of the BO requirements in the Companies Act took place in 2020, a fruitful year with 177 tax officials attending Global Forum trainings on EOI. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.) and the EOI manual is being updated, which is helpful to reply to an increased number of requests received. The MAAC has been in force since September 2013. Ghana undertook its first AEOI exchanges in 2019.

### GUINEA

**Global Forum member since 2019**
Induction Programme (to be launched)
Non user of EOIR

Guinea joined the Global Forum in 2019 and committed to the tax transparency and EOI standards. The launch of the induction programme in 2021 will accelerate the move towards a strategy to strengthen its domestic resource mobilisation through the fight against tax evasion and other IFFs. The first EOIR review will be launched in Q4 2023. Two tax officials attended a Global Forum training on EOI in 2020.

### GUINEA-BISSAU

**Not a member of the Global Forum**
Signatory of the Yaoundé declaration in 2018

Guinea-Bissau is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic resource mobilisation through the fight against tax evasion and other IFFs. Three tax officials attended a Global Forum training on EOI in 2020.

## KENYA

**Global Forum member since 2010**
Signatory of the Yaoundé declaration in 2019
Tailored technical assistance (ongoing)
User of EOIR
Committed to first AEOI exchanges in 2022

The implementation of the EOIR standard was rated largely compliant in the first round of EOIR reviews in 2016. Technical assistance was provided for the implementation of the enhanced EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews launched in Q4 2020. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.) and can handle the significant surge in the number of requests sent and received in 2020. The MAAC entered into force in November 2020. Revenue gains through EOI are monitored and the first results are encouraging. In 2020, Kenya committed to start AEOI exchanges in 2022. In order to reach this aim, Kenya receives technical assistance about Information Security Management (ISM) and the legal framework. 46 tax officials attended a Global Forum training on EOI in 2020.

## LESOTHO

**Global Forum member since 2013**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
User of EOIR

The implementation of the tax transparency and enhanced EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. Technical assistance is provided for the implementation of the enhanced EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews to be launched in Q2 2022. Most of the elements of an EOI infrastructure are in place (EOI unit, dedicated staff, procedures, etc.). The process to become party to the MAAC was initiated in 2017 and technical assistance is provided on confidentiality. 15 tax officials attended a Global Forum training on EOI in 2020.

## LIBERIA

**Global Forum member since 2009**
Signatory of the Yaoundé declaration in 2017
User of EOIR

The legal framework was found in line with the tax transparency and EOIR standard in the first round of EOIR reviews in 2016 but was found partially compliant in the second round of enhanced EOIR review in 2020. The MAAC was signed in 2018 and the ratification is progressing. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). Liberia signed the CRS MCAA in 2020 for the AEOI implementation. Three tax officials attended a Global Forum training on EOI in 2020.

## MADAGASCAR

**Global Forum member since 2018**
Signatory of the Yaoundé declaration in 2018
Induction Programme (ongoing)
Non user of EOIR

The induction programme was launched in 2018 and its delivery is progressing slowly. The process to become a party to the MAAC was completed and an invitation to sign it was sent in February 2019. Technical assistance is provided for the implementation of the EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews which would be launched in Q2 2023. Two tax officials attended a Global Forum training on EOI in 2020.

## MALI

**Global Forum member since 2020**
Signatory of the Yaoundé declaration in 2018
Induction Programme (to be launched in 2021)
User of EOIR

Mali joined the Global Forum in early 2020 and committed to the tax transparency and EOI standards. Before that, Mali had shown a high-level interest to the tax transparency agenda by signing the Yaoundé Declaration in 2018. The first EOIR review will be launched in Q4 2023. The launch of the induction programme will accelerate the move towards a strategy to strengthen its DRM through the fight against tax evasion and other IFFs. Two tax officials attended a Global Forum training on EOI in 2020.

### MAURITANIA

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
Non user of EOIR

The MAAC was signed in 2019 and support is provided for notifications and declarations. The implementation of the tax transparency and enhanced EOIR standard was found largely compliant in the first round of EOIR reviews in 2016 and the second round will be launched in Q4 2021. Technical assistance is provided for the implementation of the EOIR standard, including the availability of BO information. Six tax officials attended a Global Forum training on EOI in 2020.

### MAURITIUS

**Global Forum member since 2009**
Signatory of the Yaoundé declaration in 2018
User of EOIR

The implementation of the EOIR standard was found compliant in the second round of EOIR reviews in 2017 (it was rated largely compliant in the first round in 2014). The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.) as well as a clear strategy to enhance the use of EOI in tax audits and investigations. Despite the COVID-19 pandemic, Mauritius continued to receive many requests. The MAAC has been in force since December 2015. AEOI is implemented on a reciprocal basis with first exchanges in 2018. Mauritius legal framework for AEOI was assessed as overall in place in 2020. The effectiveness of AEOI implementation is under review. Capacity building was a high priority for Mauritius in 2020 with 93 tax officials attending a Global Forum training on EOI in 2020.

### MOROCCO

**Global Forum member since 2011**
Signatory of the Yaoundé declaration in 2019
Tailored technical assistance (ongoing)
User of EOIR
Committed to first AEOI exchanges in 2022

The implementation of the tax transparency and EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. Technical assistance was provided for the implementation of the enhanced EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews which will be launched in Q3 2021. The EOI infrastructure is in place (delegation of the competent authority function, EOI unit and tools). The MAAC has been in force since September 2019. The establishment of an EOI strategy is progressing. In 2020, Morocco committed to start AEOI exchanges in 2022. In order to reach this aim, Morocco receives technical assistance on Information Security Management (ISM) and the legal framework. 34 tax officials attended a Global Forum training on EOI in 2020.

### NAMIBIA

**Global Forum member since 2019**
Induction Programme launched virtually in 2020

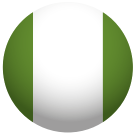
Namibia joined the Global Forum in 2019 and committed to the tax transparency and EOI standards. Since then, Namibia has shown a high-level interest to the tax transparency agenda by becoming party to the MAAC which will enter into force in April 2021. The first EOIR review will be launched in Q4 2023. A virtual seminar on the implementation of the standard for EOIR in Namibia was organised with ATAF in October 2020. 17 tax officials attended a Global Forum training on EOI in 2020.

### NIGER

**Global Forum member since 2015**
Signatory of the Yaoundé declaration in 2018
Induction Programme (to be launched in 2021)

Niger joined the Global Forum in 2015 and reinforced its commitments to the tax transparency and EOI by signing the Yaoundé declaration in 2018. The launch of the induction programme will accelerate the move towards a strategy to strengthen its domestic resource mobilisation through the fight against tax evasion and other IFFs. The first EOIR review will be launched in Q2 2023. Two tax officials attended a Global Forum training on EOI in 2020.

## NIGERIA



**Global Forum member since 2011**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
First AEOI exchanges in 2020
User of EOIR

The implementation of the tax transparency and EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. Improvements have been brought to ensure the availability of BO information in the perspective of the second round of EOIR reviews to be launched in Q1 2022. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). The MAAC has been in force since September 2015. The first AEOI exchanges took place in 2020 and a dedicated workshop was organised. 478 tax officials attended a Global Forum training on EOI in 2020.

## RWANDA

**Global Forum member since 2017**
Induction Programme (ongoing)
User of EOIR

The induction programme was launched in 2018 and its delivery is progressing. The process to become party to the MAAC was initiated in 2019 and an invitation to sign it was received in 2020. Technical assistance is provided for the implementation of the EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews which would be launched in Q2 2023. The establishment of an EOI unit is progressing. Seven tax officials attended a Global Forum training on EOI in 2020.

## SENEGAL

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
User of EOIR

The implementation of the tax transparency and EOIR standard was found largely compliant in the first round of EOIR reviews in 2016. Technical assistance is provided for the implementation of the enhanced EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews which will be launched in Q4 2022. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.).

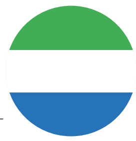
The MAAC has been in force since December 2016. AEOI is being considered and work has been undertaken to implement an appropriate confidentiality and data safeguards framework with a view to send and receive AEOI data. Four tax officials attended a Global Forum training on EOI in 2020.

## SEYCHELLES

**Global Forum member since 2009**
Signatory of the Yaoundé declaration in 2018
Tailored technical assistance (ongoing)
User of EOIR
First AEOI exchanges in 2017

The implementation of the tax transparency and EOIR standard was found largely compliant in the first round of EOIR reviews in 2016 and partially compliant in the second round in 2020. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). The MAAC has been in force since October 2015 and a virtual workshop on the MAAC for Seychelles was organised in November 2020. AEOI has been implemented with first exchanges in 2017. During the first AEOI Peer review in 2020, the Seychelles' legal framework implementing the AEOI Standard was found in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. The effectiveness of AEOI implementation is under review. 19 tax officials attended a Global Forum training on EOI in 2020.

## SIERRA LEONE



**Not a member of the Global Forum**
Non user of EOIR

Some elements of an EOI infrastructure are in place. Sierra Leone is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic resource mobilisation through the fight against tax evasion and other IFFs.

### SOUTH AFRICA

**Global Forum member since 2009**
Signatory of the Yaoundé declaration in 2018
User of EOIR
First AEOI exchanges in 2017

The implementation of the tax transparency and EOIR standard was found compliant in the first round of EOIR reviews in 2013. Improvements have been brought to ensure availability of BO information in the perspective of the second round of EOIR reviews which was launched in December 2019. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). An EOI strategy is implemented. Revenue gains through EOI are monitored. The amount of additional taxes collected shows that EOI has a positive impact on revenue mobilisation in South Africa. The MAAC has been in force since March 2014. AEOI has been implemented with first exchanges in 2017. During the first AEOI Peer review in 2020, the South Africa's legal framework implementing the AEOI Standard was found in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. The effectiveness of AEOI implementation is under review. 48 tax officials attended a Global Forum training on EOI in 2020.

### TANZANIA

**Global Forum member since 2015**
Induction Programme (ongoing)
User of EOIR

The induction programme was launched in 2017 and its delivery is progressing. Technical assistance is provided for the implementation of the EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews, launched in 2020. Some elements of an EOI infrastructure (EOI unit, EOI manual) are in place. Seven tax officials attended a Global Forum training on EOI in 2020.

### TOGO

**Global Forum member since 2016**
Signatory of the Yaoundé declaration in 2018
Induction Programme (ongoing)
Non user of EOIR

The induction programme was launched in 2017 and its delivery is progressing. Technical assistance is provided for the implementation of the EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews, which will be launched in Q2 2022. Some elements of an EOI infrastructure (EOI unit, EOI manual) are in place. The MAAC was signed in January 2020. 20 tax officials attended a Global Forum training on EOI in 2020.

### TUNISIA

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2019
Tailored technical assistance (ongoing)
User of EOIR

The legal framework was found in line with the tax transparency and EOIR standard in the first round of EOIR reviews in 2016 and largely compliant in the second round in 2020. The MAAC has been in force since February 2014. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). Nearly USD 5 million in additional revenue were collected between 2018 and 2019 by using EOI. Tunisia now makes routine use of exchange of information as a tool to protect its tax base. Since 2020, Tunisia is benefiting from a new technical assistance programme, which includes assistance in implementing AEOI and cross-border tax collection. Nine tax officials attended a Global Forum training on EOI in 2020.

### UGANDA

**Global Forum member since 2012**
Signatory of the Yaoundé declaration in 2017
Tailored technical assistance (ongoing)
User of EOIR

The implementation of the tax transparency and EOIR standard was found compliant in the first round of EOIR reviews in 2016. Technical assistance is provided for the implementation of the enhanced EOIR standard, including the availability of BO information, in the perspective of the second round of EOIR reviews to be launched in Q2 2023. A virtual workshop on the implementation of the beneficial ownership information requirements took place in Uganda in October 2020 and was attended by over 60 officials. The MAAC has been in force since September 2016. The EOI infrastructure is in place (EOI unit, dedicated staff, procedures, etc.). An EOI strategy is also in place with an effective use of EOIR and the monitoring of the revenue gains. The amount of additional taxes collected shows that EOI has a positive impact on revenue mobilisation in Uganda. 20 tax officials attended a Global Forum training about exchange of information in 2020.

### ZAMBIA

**Not a member of the Global Forum**
Tailored technical assistance (pre-membership)
Non user of EOIR

Some elements of an EOI infrastructure are in place. Zambia is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic revenue mobilisation through the fight against tax evasion and other IFFs. Three tax officials attended a Global Forum training on EOI in 2020. A virtual training on the implementation of the EOI standard with a focus to set up an EOI unit for Zambia was organised in 2020, jointly with ATAF.

### ZIMBABWE

**Not a member of the Global Forum**

Zimbabwe is encouraged to consider joining the Global Forum and implementing the international tax transparency and EOI standards to strengthen its domestic revenue mobilisation through the fight against tax evasion and other IFFs. Three tax officials attended a Global Forum training on EOI in 2020.

# 7 Annexes

- **Summary of the tax transparency progress by country in 2020**
- **Statement of outcome of the Africa Initiative meeting – 30 September- 2 October 2020**
- **The Yaoundé Declaration**

# Annex A
## Summary of the tax transparency progress by country in 2020

| COUNTRY | Member-ship | Technical assistance programme | Implementation of EOIR standard | | EOI infrastructure | | |
|---|---|---|---|---|---|---|---|
| | | | 1st round | 2nd round | CA function delegation | EOI Unit | EOI resources and tools |
| **Angola** | Non Member | – | – | – | Yes | Yes | In progress |
| **Benin** | 2017 | Induction programme | – | Preparation in progress Review in Q1 2023 | In progress | In progress | In progress |
| **Botswana** | 2011 | A la carte | LC (2016) | PC in 2019 Work in progress to address the deficiencies | Yes | No | Yes |
| **Burkina Faso** | 2012 | A la carte | LC (2016) | Preparation in progress Review in Q2 2022 | Yes | Yes | Yes |
| **Cabo Verde** | 2018 | Induction programme | – | Preparation in progress Review in Q3 2023 | Yes | No | Yes |
| **Cameroon** | 2012 | A la carte | LC (2016) | Preparation in progress Review in Q1 2023 | Yes | Yes | Yes |
| **Chad** | 2016 | Induction programme | – | No action taken Review in Q4 2021 | No | No | Yes |
| **Congo** | Non Member | – | – | – | No | No | No |
| **Côte d'Ivoire** | 2016 | Induction programme | – | Preparation in progress Review in Q4 2020 | Yes | Yes | Yes |
| **Djibouti** | 2017 | Induction programme | – | No action taken Review in Q4 2022 | – | – | – |
| **Egypt** | 2016 | Induction programme | – | Preparation in progress Review in Q1 2022 | Yes | Yes | Yes |
| **Eswatini** | 2018 | Induction programme | – | Preparation in progress Review in Q3 2023 | Yes | In progress | Yes |
| **Gabon** | 2012 | A la carte | LC in 2016 | No action taken Review in Q1 2021 | Yes | Yes | Yes |
| **Gambia** | Non Member | – | – | – | No | No | No |
| **Ghana** | 2011 | A la carte | LC in 2014 | PC in 2018- Work in progress to address the deficiencies | Yes | Yes | Yes |

| EOI network and Multilateral Convention status<br>Very narrow <10<br>Narrow <50<br>Wide <100<br>Very wide >100 | EOI strategy | Effective use of EOI over the last 3 years<br>None Low <10<br>Medium <50<br>High <10 /<br>Very High >100 | Revenue gains identified | AEOI standard | |
|---|---|---|---|---|---|
| | | | | Confidentiality and data safeguards framework | AEOI commitment |
| Very narrow<br>MAAC Initiated in 2019 | – | None | No | No action | No |
| Very narrow<br>MAAC signed in 2019 | In progress | None | No | No action | No |
| Narrow<br>MAAC signed in 2019<br>but not yet deposited | In progress | None | No | No action | No |
| Narrow<br>MAAC ratified in 2019<br>but not yet deposited | In progress | Low | Yes | No action | No |
| Very wide<br>MAAC signed in 2019<br>and deposited in 2020 | In progress | None | No | No action | No |
| Very wide<br>MAAC in force since 2015 | Yes | Medium | Yes | Technical assistance – preliminary assessment in 2019 | No |
| Very narrow<br>MAAC initiated in 2017 | No | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Narrow<br>MAAC process not initiated | In progress | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | – | – | – | No action | No |
| Wide though<br>MAAC process not initiated | – | – | – | No action | Pilot project with UK |
| Very narrow<br>MAAC to enter into force<br>in July 2021 | No | Low | No | No action | No |
| Very narrow<br>MAAC Ratified in 2016<br>but not yet deposited | No | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Very wide<br>MAAC in force since 2013 | In progress | Low | No | Re-assessment scheduled in 2020 | First exchange in 2019 |

## Annex A

| COUNTRY | Member-ship | Technical assistance programme | Implementation of EOIR standard | | EOI infrastructure | | |
|---|---|---|---|---|---|---|---|
| | | | 1st round | 2nd round | CA function delegation | EOI Unit | EOI resources and tools |
| **Guinea** | 2019 | Induction programme | – | Q4 2023 | No | No | No |
| **Guinea–Bissau** | Non member | – | – | – | No | No | No |
| **Kenya** | 2010 | A la carte | LC in 2016 | Preparation in progress Review in Q4 2020 | Yes | Yes | Yes |
| **Lesotho** | 2013 | A la carte | LC in 2016 | Preparation in progress Review in Q2 2022 | Yes | Yes | In progress |
| **Liberia** | 2009 | A la carte | Legal framework appropriate in 2016 | PC in 2020 | Yes | Yes | Yes |
| **Madagascar** | 2018 | Induction programme | – | Preparation in progress Review in Q2 2023 | No | No | No |
| **Malawi** | Non Member | – | – | – | No | No | No |
| **Mali** | 2020 | Induction programme | – | Preparation in progress Review in Q4 2023 | No | No | No |
| **Mauritania** | 2012 | A la carte | LC in 2016 | Preparation in progress Review in Q4 2021 | Yes | Yes | In progress |
| **Mauritius** | 2009 | A la carte | LC in 2014 | C in 2017 | Yes | Yes | Yes |
| **Morocco** | 2011 | A la carte | LC in 2016 | Preparation in progress Review in Q3 2021 | Yes | Yes | Yes |
| **Namibia** | 2019 | Induction programme | – | Preparation to be launched Q4 2023 | No | In progress | No |
| **Niger** | 2015 | Induction programme | – | No action taken Review in Q2 2023 | No | No | No |
| **Nigeria** | 2011 | A la carte | LC in 2016 | Review in Q1 2022 | Yes | Yes | Yes |
| **Rwanda** | 2017 | Induction programme | – | Preparation in progress Review in Q2 2023 | Yes | In Progress | No |

| EOI network and Multilateral Convention status<br>Very narrow <10<br>Narrow <50<br>Wide <100<br>Very wide >100 | EOI strategy | Effective use of EOI over the last 3 years<br>None Low <10<br>Medium <50<br>High <10 /<br>Very High >100 | Revenue gains identified | AEOI standard | |
|---|---|---|---|---|---|
| | | | | Confidentiality and data safeguards framework | AEOI commitment |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Very wide<br>MAAC in force since 2020 | Yes | High | Yes | Technical assistance ongoing | Yes |
| Very narrow<br>MAAC initiated in 2017 | No | Low | No | No action | No |
| Narrow<br>MAAC signed in 2018 | No | Low | No | Technical assistance – preliminary assessment in 2018 | No |
| Very narrow<br>Invited to sign the MAAC since 2019 | No | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Narrow<br>MAAC process not initiated | No | Low | No | No action | No |
| Very narrow<br>MAAC signed in 2019 | No | None | No | No action | No |
| Very wide<br>MAAC in force since 2015 | No | Medium | No | Successfully assessed | First exchange in 2018 |
| Very wide<br>MAAC in force since 2019 | In progress | Medium | No | Technical assistance – preliminary assessment ongoing | First exchange intended in 2022 |
| Wide<br>MAAC signed to be in force from April 2021 | No | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Very wide<br>MAAC in force since 2015 | In progress | Medium | No | Technical assistance – preliminary assessment in 2020 | First exchanges took place in 2020 |
| Narrow<br>MAAC initiated in 2019 | No | Low | No | No action | No |

| COUNTRY | Member-ship | Technical assistance programme | Implementation of EOIR standard | | EOI infrastructure | | |
|---|---|---|---|---|---|---|---|
| | | | 1st round | 2nd round | CA function delegation | EOI Unit | EOI resources and tools |
| **Senegal** | 2012 | A la carte | LC in 2016 | Preparation in progress Review in Q4 2022 | Yes | Yes | Yes |
| **Seychelles** | 2009 | A la carte | LC in 2016 | Partially compliant in 2020 | Yes | Yes | Yes |
| **Sierra Leone** | Non Member | – | – | – | No | No | No |
| **South Africa** | 2009 | A la carte | C in 2013 | Review ongoing Outcome scheduled for 2021 | Yes | Yes | Yes |
| **Tanzania** | 2015 | Induction programme | – | Preparation in progress Review launched in 2020 and outcomes expected in 2021 | No | Yes | Yes |
| **Togo** | 2016 | Induction programme | – | Preparation in progress Review in Q2 2022 | In progress | Yes | Yes |
| **Tunisia** | 2012 | A la carte | Legal framework appropriate in 2016 | LC in 2020 | Yes | Yes | Yes |
| **Uganda** | 2012 | A la carte | LC in 2016 | Preparation in progress Review in Q2 2023 | Yes | Yes | Yes |
| **Zambia** | Non Member | – | – | – | No | No | No |
| **Zimbabwe** | Non Member | – | – | – | Yes | No | No |

| EOI network and Multilateral Convention status<br>Very narrow <10<br>Narrow <50<br>Wide <100<br>Very wide >100 | EOI strategy | Effective use of EOI over the last 3 years<br>None Low <10<br>Medium <50<br>High <10 /<br>Very High >100 | Revenue gains identified | AEOI standard | |
|---|---|---|---|---|---|
| | | | | Confidentiality and data safeguards framework | AEOI commitment |
| Very wide<br>MAAC Ratified | No | Medium | Yes | Technical assistance – preliminary assessment started | Under consideration |
| Very wide<br>MAAC in force since 2015 | No | Medium | No | Successfully assessed | First exchange in 2017 |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Very wide<br>MAAC in force since 2014 | Yes | High | Yes | Successfully assessed | First exchange in 2017 |
| Very narrow<br>MAAC process not initiated | In progress | Low | No | No action | No |
| Narrow<br>MAAC signed in 2020 | In progress | None | Yes | No action | No |
| Very wide<br>MAAC in force since 2014 | Yes | Very high | Yes | Technical assistance – preliminary assessment started | Under consideration |
| Very wide<br>MAAC in force since 2016 | Yes | High | Yes | Technical assistance – preliminary assessment started | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |
| Very narrow<br>MAAC process not initiated | No | None | No | No action | No |

# Annex B
## Statement of outcome of the Africa Initiative meeting: 30 September – 2 October 2020

On 30th September – 2nd October, over 150 delegates from 27 African countries and 9 Africa Initiative partners came together virtually, for the 8th meeting of the Africa Initiative (see annex A).

The Africa Initiative was launched in 2014 for a period of three years (2015-2017) by the Global Forum along with its African members and development partners (see annex B). The Initiative aims to ensure that African countries can realise the full potential of progress made by the global community in implementing transparency and exchange of information (EOI) for tax purposes. With encouraging first results, its mandate was renewed for a further period of three years (2018-2020) in Yaoundé in November 2017. Countries participating in the Africa Initiative have committed to meeting specific and measurable objectives in implementing and using the international tax transparency standards.

The delegates welcomed the attendance and support of the Federal Ministry for Economic Cooperation Development (BMZ) of Germany, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the International Centre for Tax and Development, the International Monetary Fund, OXFAM and Tax Justice Network in Africa for the first time at an Africa Initiative meeting. The delegates also appreciated the participation of experts from the Norwegian Tax Administration and the Federal Public Service Finance of Belgium.

During this 8th meeting, the participants took note of the progress made in by African countries and discussed the remaining challenges to transparency and EOI as outlined in the Tax Transparency in Africa 2020: Africa Initiative Progress Report 2019 that was launched in June 2020.

During the first two days of the meeting, which were open to invitees, the participants discussed the impact of the COVID-19 on the African continent as well as on the operation of the tax administrations and on the delivery of the capacity building programmes. The participants also discussed the remaining barriers to tax transparency in Africa, the recent international development in taxation, the relevance of cross-border assistance in tax collection, the link between transfer pricing and EOI and the participation of African countries to automatic exchange of information.

The last day of the meeting was opened only to delegates of the member countries, observers and partners of the Africa Initiative. The delegates welcomed the progress made by the Africa Initiative in putting African countries on the path towards realising the full potential of transparency and EOI. They commended the support of the partners of the Africa Initiative.

Delegates unanimously agreed to renew the mandate of the Africa Initiative for a further period of three years (2021-2023) to consolidate the gains made by members since 2014. Delegates agreed that the next phase of the Africa Initiative would continue to be built on two pillars: raising political awareness on the benefit of tax transparency throughout Africa and delivering high-quality capacity building programmes. They agreed that all African members should meet the core stage of tax transparency by putting in place a sound EOI infrastructure and using it effectively to tackle tax evasion and other illicit financial flows (IFFs). In particular, delegates noted that EOI has started to yield revenues and there is need for effective international gateways for cross-border assistance in tax recovery to complement EOI. Delegates acknowledged that while existing international legal instruments do provide for assistance in recovery of tax debts, the existence of reservations might dissuade Africa Initiative members from fully benefiting from it. The delegates welcomed the offer of technical assistance from the Africa Initiative partners to help interested members put in place the building blocks for cross-border assistance in recovery of taxes.

Taking into account the increasing involvement of African countries in the Africa Initiative and renewal of the mandate, the delegates approved a new governance framework that empowers African members to play a more active role in the management of the Initiative. Each year, a Chair and a Vice-Chair, who will be senior officials from a tax administration or a Ministry of Finance of two different African member countries, will be appointed by the member countries to lead the Initiative.

Emphasising the increasing political focus on tackling IFFs from Africa, delegates welcomed Eswatini as the 30th Signatory of the Yaoundé Declaration, which calls for an African tax transparency agenda to fight IFFs and enhance domestic resource mobilisation. The delegates encouraged the remaining African countries to increase political attention on the problem of IFFs and the key role that transparency and exchange of information can play by joining the Yaoundé Declaration.

Recognising that an international legal framework is a pre-requisite for effective participation in EOI, the Africa Initiative members committed to broadening the network of their EOI partners through the signing of the Convention on Mutual Administrative Assistance in Tax Matters (MAAC). Delegates therefore welcomed the recent signing of the MAAC by Botswana, Eswatini and Namibia and the deposit of the instrument of ratification of the MAAC by Kenya. They invited all African countries to join the MAAC.

Despite the huge potential of automatic exchange of financial account information for African countries, delegates noted that only Seychelles, South Africa and Mauritius are engaged in reciprocal exchanges. Ghana has started sending information and is working towards fully reciprocal exchanges while Nigeria ill is scheduled to begin non-reciprocal exchanges in 2020. Delegates welcomed the commitment of Morocco and Kenya to start their first automatic exchange of information in 2022.

Observing that the goal of EOI is to enable tax administrations to better enforce and ensure compliance with their domestic tax laws, collect additional revenues and combat other sources and channels for IFFs that facilitate or reinforce cross-border tax evasion, the delegates agreed on the importance of assessing the impact of EOI. Delegates approved the EOI Impact Assessment Form to facilitate the work of competent authorities in collecting information that will enable Africa Initiative members to assess the impact of, and inform strategic decisions on EOI.

Noting the key role of the Tax Transparency in Africa Report as an avenue for the Africa Initiative members to annually reflect on the progress achieved in improving tax transparency in Africa, including progress made by members in meeting individual country objectives and by non-members, delegates looked forward to the publication of the 2021 Tax Transparency in Africa.

***List of participants of the 8th Africa Initiative meeting***

### AFRICAN COUNTRIES

Burkina Faso, Cabo Verde, Cameroon, Chad, Côte d'Ivoire, Egypt, Eswatini, Gabon, Ghana, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Senegal, Seychelles, South Africa, Tanzania, Togo, Tunisia, Uganda

### ORGANISATION AND DEVELOPMENT AGENCIES

African Development Bank – African Tax Administration Forum – African Union Commission – Belgium (Federal Public Service Finance) – Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales – Economic Community of West African States – European Union – France (Ministry of Europe and Foreign Affairs) – Germany (Federal Ministry for Economic Cooperation Development (BMZ) & Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)) – International Centre for Tax and Development – International Monetary Fund – Norway (Agency for Development Cooperation & Norwegian Tax Administration) – Organisation for Economic Co-operation and Development – OXFAM – Tax Justice Network in Africa – United Nation Economic Commission for Africa – West Africa Tax Administration Forum – World bank Group

# Annex C
# Yaoundé declaration

**Made in Yaoundé, Cameroon, on 15 November 2017**
**In two originals in English and in French**

**A CALL FOR ACTION TO TACKLE ILLICIT FINANCIAL FLOWS THROUGH INTERNATIONAL TAX COOPERATION**

**We**, signatories of this joint declaration gathered in Yaoundé, Cameroon on 15 November 2017, for the Tenth Plenary meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum);

**Recalling** the commitment of the Addis Ababa Action Agenda to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion through strengthened national regulation and by scaling up international tax cooperation, including to support access to beneficial ownership information for competent authorities and progressively advance towards automatic exchange of tax information among tax authorities as appropriate.

**Acknowledging** that the report from the African Union and United Nations Economic Commission for Africa's High Level Panel on illicit financial flows from Africa has focused attention on the scale of the issue of illicit financial flows in Africa, which includes tax evasion and other criminal activities, and its negative impact on Africa's development and governance agenda while also identifying ways in which to tackle it, in particular by increasing cooperation and exchange of information to improve domestic resource mobilisation.

**Emphasizing** the unprecedented efforts made by the international community to improve tax transparency and exchange of information which are a prerequisite for effectively tackling international tax evasion and addressing gaps and mismatches in tax rules that allow for artificial profit shifting.

**Recalling** the universal Sustainable Development Goals of the United Nations, and in particular the domestic resource mobilisation objective, as well as the African Union principles in this area.

**Affirming** that sustainable development and good governance are among the seven African aspirations of the African Union Agenda 2063.

**Having deliberated** on the theme "Fighting illicit financial flows through international tax cooperation: A Call for Action in Africa".

Reaffirm the important role of the Global Forum in bringing about transparency in tax matters and in assisting developing countries in the implementation of the standards of exchange of information in tax matters (EOI) and the use of the EOI instruments in their domestic resource mobilisation strategy.

**Note** that while progress has been made in Africa, many countries still do not fully benefit from the new transparent tax environment: only 27 African countries are participating in exchange of information on request (EOIR), only five African countries are committed to automatic exchange of financial accounts information (AEOI), and a large number of African countries continue to have a small EOI network, gaps in their domestic legislation and administrative capacity constraints that hamper efforts to tackle international tax evasion.

**Encourage** all African countries and the Regional Economic Communities to strengthen their efforts in the fight against international tax evasion through tax cooperation and transparency and work towards more regional coordination;

**Resolve** to lead by example in using the powerful EOI infrastructure which has now emerged to counter international tax evasion and to support domestic resource mobilisation;

**Endorse** the renewal for three years (2018-2020) of the Africa Initiative launched in 2014 by the Global Forum with the support of the African Tax Administration Forum and the *Centre de Rencontre et d'Etudes des Dirigeants des Administrations Fiscales* and the World Bank Group.

**Welcome** the continuous support of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation to the Africa Initiative and **Call upon** other international bodies to support the efforts of African countries in building their capacities.

**Consider** that tackling illicit financial flows in Africa through improved tax cooperation and transparency would be enhanced if carried out at the continental level under the auspices of the African Union with the support of all development partners and international and regional organisations.

**Undertake** an initiative by the African Union to begin a high level discussion on tax cooperation and illicit financial flows and their link to domestic resource mobilisation.

**Encourage** African countries with the support of the Global Forum Secretariat to explore with the African Union, United Nations Economic Commission for Africa, Regional Economic Communities and the African Development Bank a collaboration aimed at boosting African countries' efforts towards implementing the international EOI standards and using EOI tools to improve their domestic resource mobilisation;

**Request** the Global Forum Secretariat to report back to the Africa Initiative Taskforce on the outcome of the above proposal within 6 months.

Made in Yaoundé, Cameroon, on 15 November 2017 in two originals in English and in French

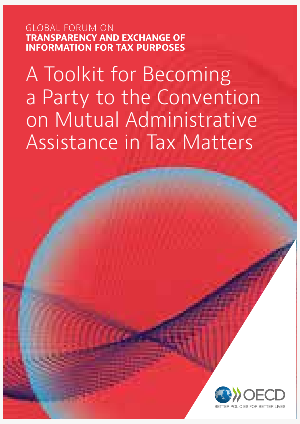
**LIST OF SIGNATORIES (as of April 2020)**

| | Country | Date |
|---|---|---|
| 1 | **Cameroon** | 11/2017 |
| 2 | **Liberia** | 11/2017 |
| 3 | **Uganda** | 11/2017 |
| 4 | **Benin** | 11/2017 |
| 5 | **Togo** | 01/2018 |
| 6 | **Ghana** | 02/2018 |
| 7 | **Seychelles** | 02/2018 |
| 8 | **Chad** | 03/2018 |
| 9 | **Madagascar** | 04/2018 |
| 10 | **Niger** | 04/2018 |
| 11 | **Gabon** | 04/2018 |
| 12 | **Burkina Faso** | 04/2018 |
| 13 | **Congo** | 04/2018 |
| 14 | **Guinea-Bissau** | 04/2018 |
| 15 | **Mali** | 04/2018 |
| 16 | **Senegal** | 04/2018 |
| 17 | **Mauritius** | 05/2018 |
| 18 | **Mauritania** | 06/2018 |
| 19 | **Comoros** | 06/2018 |
| 20 | **Côte d'Ivoire** | 06/2018 |
| 21 | **Lesotho** | 07/2018 |
| 22 | **Nigeria** | 08/2018 |
| 23 | **South Africa** | 09/2018 |
| 24 | **Morocco** | 03/2019 |
| 25 | **Tunisia** | 05/2019 |
| 26 | **Egypt** | 11/2019 |
| 27 | **Kenya** | 11/2019 |
| 28 | **Cabo Verde** | 11/2019 |
| 29 | **Djibouti** | 11/2019 |
| 30 | **Eswatini** | 09/2020 |
| 31 | **African Union Commission** | 12/2020 |

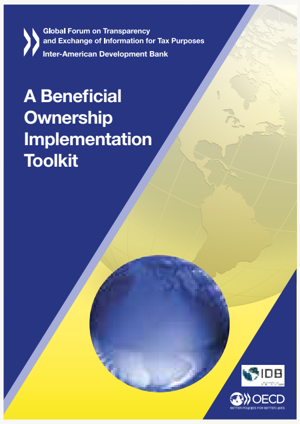
**SUPPORTERS OF THE DECLARATION**

| | | |
|---|---|---|
| 1 | **OECD** | 11/2017 |
| 2 | **France** | 01/2018 |
| 3 | **United Kingdom** | 01/2018 |

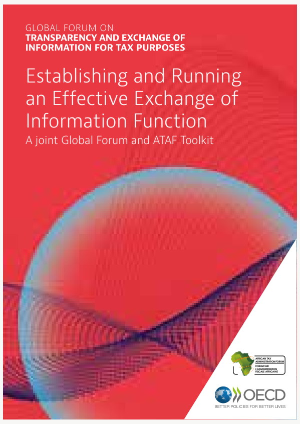
# Further reading



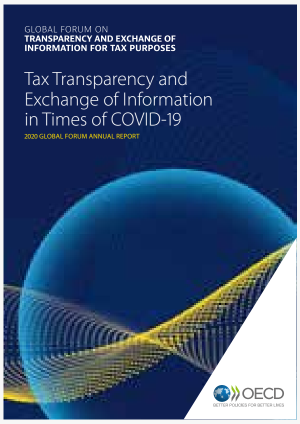

Global Forum Secretariat (2020), **A Toolkit for Becoming a Party to the Convention on Mutual Administrative Assistance in Tax Matters**
http://oe.cd/3Go




Global Forum Secretariat/IDB (2019), **A Beneficial Ownership Implementation Toolkit**
http://oe.cd/3Gt




Global Forum Secretariat/ ATAF (2020), **Establishing and Running an Effective Exchange of Information Function: A joint Global Forum and ATAF Toolkit**
http://oe.cd/3Gp

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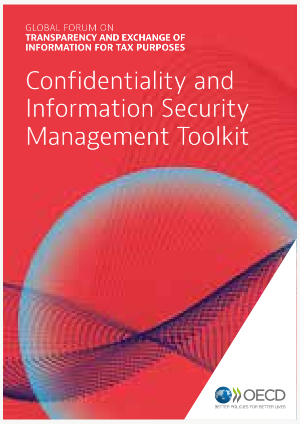


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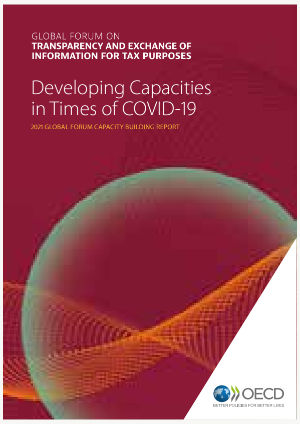


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