

Statement of outcomes of the 13th meeting of the Africa Initiative

6-7 July 2023

Cape Town, South Africa

1. On 6 – 7 July 2023, 120 delegates, including representatives from 26 African countries and 9 Africa Initiative partners and invitees, came together for the 13th meeting of the Africa Initiative (see **annex A**). In addition to the onsite attendance, 128 participants attended the public session online.
2. Launched in 2014 by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), the Africa Initiative gathers 37 African members of the Global Forum and 17 development partners (see **annex B**). The Initiative aims to ensure that African countries can realise the full potential of the implementation of transparency and exchange of information (EOI) for tax purposes. Countries participating in the Africa Initiative have committed to meeting specific objectives in implementing and using the international tax transparency standards.
3. The 13th meeting was hosted by South Africa and inaugurated by Hon. Enoch Godongwana, Minister of Finance, South Africa. H.E. Mr Albert M. Muchanga, African Union Commissioner for Economic Development, Trade, Tourism, Industry and Mining also addressed the participants during the meeting. Delegates welcomed Angola, Sierra Leone and Zimbabwe which joined the Global Forum and the Africa Initiative since the last meeting.
4. The *Tax Transparency in Africa 2023: Africa Initiative Progress Report*¹ was launched **on the first day of the meeting**, which was broadcast and open to the press and civil society organisations. The findings of the report were discussed by the participants. They welcomed this fifth edition of the report, which reflects the progress made in 2022, including the following:
 - African countries reported identifying at least EUR 76.6 million of additional revenues (tax, interests and penalties) from transparency and exchange of information (EOI), **the highest amount since the launch of the Africa Initiative in 2014**. Since 2009 until 2022, African countries have identified at least EUR 1.69 billion as a result of exchange of information on request (EOIR) and automatic exchange of financial account information (AEOI) under the Common Reporting Standard (CRS), including AEOI-related voluntary disclosure programmes and other offshore tax investigations.
 - A majority of African countries have in place the essential building blocks for participating in EOIR, including broad EOI networks, established EOI units with appropriate tools and resources, and delegation of competent authority powers, which lays a good foundation for implementing and benefitting from EOI on the continent.
 - However, progress on using EOI in the fight against tax evasion and other illicit financial flows remains uneven as not all African countries are making effective use of their established EOI infrastructures. The number of requests sent and the additional revenues reported from the use of

¹ OECD (2023), *Tax Transparency in Africa 2023: Africa Initiative Progress Report*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, <https://www.oecd.org/tax/transparency/documents/tax-transparency-in-africa-2023.pdf>.

EOI, are largely concentrated in few countries, which have developed an EOI culture and are reaping the benefits of EOI

- Not all African members of the Global Forum are yet participating in AEOI and most of those participating are still in the early stages in the use of the CRS data received automatically.

5. Following calls from African countries and other developing countries to strengthen the international tax co-operation framework by ensuring effective cross-border assistance in the recovery of tax claims (CBAR), the Africa Initiative has been at the forefront of enhancing its members knowledge on this form of international co-operation. A *Toolkit for Establishing a Function for Cross-border Assistance in the Recovery of Tax Claims*² was launched as part of the efforts of the Africa Initiative to provide tax authorities with practical tools for participating in this form of administrative assistance. Its objective is to raise awareness and provide guidance on the steps to follow to establish and manage an effective CBAR function.

6. The delegates shared experiences and further discussed strategies for making effective use of EOIR to fight tax evasion and other forms of IFFs to enhance their domestic resource mobilisation. They also reflected on the implementation of beneficial ownership transparency frameworks in Africa and measures they need to take to build strong systems in this area.

7. **On the second day of the meeting**, delegates shared experiences and discussed how countries may implement and benefit from AEOI. They exchanged on the work focused on strengthening international tax cooperation through participation in CBAR. The delegates also deliberated on strategies to enhance domestic resource mobilisation in Africa. The Chair of the Latin America Initiative and the Co-Chair of the Asia Initiative also updated the participants on the activities and progress made in these two regional initiatives of the Global Forum. On a last session, delegates discussed strategies to enhance Domestic Resource Mobilisation (DRM) in Africa under the thought leadership of Commissioner Kieswetter.

8. Taking into account the findings of the 2023 Tax Transparency in Africa Report and the discussions during the two days of the meeting, the delegates:

- emphasised the importance of developing strategies for making effective use of EOIR in tax compliance activities supported by senior management and decision makers.
- underscored the benefits of beneficial ownership transparency for DRM and the fight against illicit financial flows and the need to adopt strategies and effective approaches for establishing appropriate frameworks on the continent.
- stressed the potential of AEOI for tax collection in African countries and called on members of the Africa Initiative to sign up to this standard and benefit from the capacity-building initiatives available to support the implementation and use of AEOI, including the new Guidance for the implementation of a secure perimeter for AEOI³.

² OECD (2023), *A Toolkit for Establishing a Function for Cross-Border Assistance in the Recovery of Tax Claims*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, www.oecd.org/tax/transparency/documents/a-toolkit-for-establishing-afunction-for-cross-border-assistance-in-the-recovery-of-tax-claims.pdf.

³ OECD (2023), *Guidance on implementation of a secure perimeter for AEOI purposes*, Available to Global Forum members on request.

- welcomed efforts to strengthen the capacities of African tax authorities towards an effective use of CBAR
- underlined the need for continuing capacity building and the sharing of experiences and peer learning
- praised the multiplier effect of new capacity building initiatives, such as the Train the Trainer Programme⁴ aimed at sustaining the EOI capability on the continent and the Women Leaders in Tax Transparency⁵ aimed at building a network of women officials championing tax transparency in their countries.
- recognised the importance of designing a sound compliance programme as a driver of additional tax revenue, in light of South Africa's experience.

9. The delegates thanked South Africa and Mr Edward Kieswetter, Commissioner, South African Revenue Service and Co-Chair of the Africa Initiative, for his leadership and for hosting the 13th meeting of the Africa Initiative, as well as for the excellent organisation and the warm South African hospitality.

10. The delegates agreed to meet again in November 2023 in Lisbon, Portugal, in the margins of the Global Forum plenary meeting, to reflect on the progress made in the implementation of the Africa Initiative 2023-2024 Action Plan.

⁴ <https://www.oecd.org/tax/transparency/documents/global-forum-launches-five-new-train-the-trainer-regional-programmes.htm>

⁵ <https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/women-leaders-in-tax-transparency.htm>.

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Annexes**Annex A. List of participants of the 13th Africa Initiative meeting****African countries**Members of the Africa Initiative

Algeria • Angola • Benin • Cameroon • Côte d'Ivoire • Eswatini • Gabon • Ghana • Kenya • Madagascar • Mali • Mauritius • Morocco • Namibia • Nigeria • Rwanda • Senegal • Seychelles • South Africa • Tanzania • Togo • Tunisia • Uganda • Zimbabwe.

Non-members of the Africa Initiative

Mozambique • Zambia.

Organisations, development partners and invitees

African Development Bank Group • African Tax Administration Forum • African Union Commission* • *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales* • International Finance Corporation • Open Ownership • Organisation for Economic Co-operation and Development* • United Nations Economic Commission for Africa • West African Tax Administrations Forum.

* Recorded interventions

Annex B. List of members and supporters of the Africa Initiative**The 37 Africa Initiative members**

Algeria • Angola • Benin • Botswana • Burkina Faso • Cabo Verde • Cameroon • Chad • Côte d'Ivoire • Djibouti • Egypt • Eswatini • Gabon • Ghana • Guinea • Kenya • Lesotho • Liberia • Madagascar • Mali • Mauritania • Mauritius • Morocco • Namibia • Niger • Nigeria • Republic of Congo • Rwanda • Senegal • Seychelles • Sierra Leone • South Africa • Tanzania • Togo • Tunisia • Uganda • Zimbabwe.

The 17 supporters of the Africa Initiative

African Development Bank Group • African Tax Administration Forum • African Union Commission • *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales* • Commonwealth Association of Tax Administrators • European Union • France • Germany • International Finance Corporation • Netherlands • Norway • Senegal • Sweden • Switzerland • United Kingdom • West Africa Tax Administration Forum • World Bank.