GLOBAL FORUM ON
TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Tax Transparency in Africa 2023

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 size of illicit financial flows from African countries, and recognising the potential of tax transparency and exchange of information to fight them and to raise resources for development, African countries members of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) decided to create an African-focused programme in 2014: 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's Agenda 2063 and the Sustainable Development Goals.

The Africa Initiative is a partnership between the Global Forum, its African members and several continental, regional and international organisations and development partners. With Angola, Sierra Leone and Zimbabwe recently joining the Global Forum, the Africa Initiative now counts 37 members and remains open to all African countries.[1] It is supported by 16 partners and donors.

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

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 and for a third phase (2021-2023) in October 2020. The Initiative also agreed on a new governance framework involving the election of a Chair and Vice-Chair to steer its work and a clear set of goals were agreed upon. Building on the lessons learnt from the first year of implementation, the new governance framework was modified in December 2022, with two Co-Chairs for a two-year period.

To promote the objectives of the Africa Initiative, the "Yaoundé Declaration" was signed during a ministerial meeting held on the sidelines of the 2017 Global Forum plenary meeting in Yaoundé, Cameroon. The Declaration calls for strengthened efforts to curb tax evasion through transparency and exchange of information (EOI). The Yaoundé Declaration now counts 33 African countries signatories and the African Union Commission.

11th meeting of the Africa Initiative, 14-16 June 2022, Nairobi, Kenya.

The 34 signatories of the Yaoundé Declaration, as of 31 December 2022

Algeria, Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Chad, Comoros, Congo (Rep. of the)

Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Ghana, Guinea-Bissau, Kenya, Lesotho

Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Niger, Nigeria, Rwanda

Senegal, Seychelles, South Africa, Togo, Tunisia, Uganda, African Union Commission

More information on the Yaoundé Declaration is available at https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/the-yaounde-declaration.htm.

WORK PROGRAMME OF THE AFRICA INITIATIVE

At the onset, the Africa Initiative agreed on an ambitious work programme to develop and consolidate a culture of transparency and EOI in African countries, and to progress towards the implementation of automatic exchange of financial account information (AEOI) under the Common Reporting Standard (CRS). The Initiative's current work programme is based on a three-year mandate, which covers the period 2021-2023. The Africa Initiative builds on the progress achieved by members since 2014 and continues to raise political awareness and support new members to implement the "core stage" of tax transparency and EOI, with an emphasis on beneficial ownership information transparency. The Africa Initiative has also identified "enhanced building blocks" that can be implemented by interested members.

Overview

The "**core stage**" encompasses:

- set up of operational EOI units with adequate resources, including delegated competent authority powers and an EOI internal procedure or manual
- define a clear strategy to use EOI as a tool to improve tax audits, sensitisation of relevant stakeholders and actively increasing the number of requests made to treaty partners
- expand the network of EOI relationships by joining the Convention on Mutual Administrative Assistance in Tax Matters
- receive a satisfactory rating in the second round of transparency and exchange of information on request peer review
- increase in the number of African countries implementing AEOI on a practical timeframe and benefitting from technical support including on confidentiality and data safeguard
- measure the impact and benefit of EOI through periodic collection and tracking of statistical information.

The "**enhanced building blocks**" are areas identified as interesting for capacity building and collaborative activities. These include cross-border assistance in the recovery of tax claims, the effective use of CRS data and the use of EOI data for non-tax purposes.

Members of the Africa Initiative meet twice a year to take stock of their progress and discuss ways of addressing their remaining challenges.

Members of the Africa Initiative

More information on the Africa Initiative is available at: https://oe.cd/africa-initiative.

Leadership of the Africa Initiative since 2021

2021-2022

CHAIR
Mr Githii Mburu
Kenya
Commissioner General, Kenya Revenue Authority

VICE-CHAIR
Mr Edward Kieswetter
South Africa
Commissioner, South African Revenue Service

2023-2024

CO-CHAIR
Dr Philippe Kokou Tchodie
Togo
Commissioner General, Togolese Revenue Office

CO-CHAIR
Mr Edward Kieswetter
South Africa
Commissioner, South African Revenue Service

Partners and donors of the Africa Initiative

African Development Bank Group

Commonwealth Association of Tax Administrators

International Finance Corporation (World Bank Group)

Switzerland

African Tax Administration Forum

European Union

Netherlands

United Kingdom

African Union Commission

France

Norway

West African Tax Administration Forum

Cercle de réflexion et d'échange des dirigeants des administrations fiscales

Germany

Senegal*

World Bank Group

* 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.

Foreword

Domestic resource mobilisation (DRM) is at the fore of the development agenda in Africa. With this in mind, the African Union Commission (AU Commission) supports initiatives that strive to reduce Africa's dependency to external sources of revenue and sustain DRM on the continent. This includes the fight against all forms of illicit financial flows (IFFs) that deprive African nations of the much-needed resources for their development.

The Africa Initiative is a concrete and impactful contribution to tackle tax evasion and other forms of IFFs through tax transparency. Looking at the results achieved in a few years, in particular in terms of DRM, the AU Commission welcomes the level of commitment and engagement of African countries. With the support of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and other partners, African countries are implementing stronger tax transparency frameworks and advancing the use of exchange of information (EOI). Challenges remain, and many African countries are at the beginning of their tax transparency journey and are yet to translate EOI into revenues. This requires the Africa Initiative to ensure that African countries are also engaged and are benefiting from the global move towards better transparency in tax matters. To achieve this, the Africa Initiative needs to be sufficiently equipped to help African countries to benefit from the progress made globally over the past decade in enhancing DRM through improved tax transparency and EOI.

The AU Commission will therefore continue to strongly support the Africa Initiative and work with the Global Forum and other partners to enhance tax transparency on the continent. The annual publication *Tax Transparency in Africa: the Africa Initiative Progress Report* plays a unique role as it helps us take stock of the progress made and strive to address the remaining challenges faced by African countries. Thanks to the contribution of 38 African countries that have provided answers to the survey, the 2023 report is a unique and valuable work by its scope and its in-depth analysis. It shows continuing progress.

One new member joined the Africa Initiative in 2022, bringing the total number of African countries participating in the global tax transparency work to 34 as at December 2022. Since then, the Africa Initiative has welcomed three new African countries, bringing the current membership to 37.

The number of African countries making use of exchange of information on request has increased, as well as the number of countries committed to start automatic exchange of financial account information (AEOI) by a specific date. The more African countries make use of cross-border EOI for tax purposes, the greater the impact will be on tax revenues.
Four African countries were able to identify additional revenues totalling EUR 76.6 million in 2022, the highest annual amount reported since the establishment of the Africa Initiative in 2014. This includes EUR 10.6 million in additional revenue from the use of financial account information received by one of the five African countries currently engaged in AEOI. Although a lot of progress is still needed, we can already see that EOI is one of the solutions to address the issues of IFFs in Africa, and an effective tool to increase domestic resources on the continent.

Looking at the results achieved in a few years, in particular in terms of domestic resource mobilisation, the AU Commission welcomes the level of commitment and engagement of African countries.

On behalf of the AU Commission, I would like to thank all parties involved in the publication of this report. I invite all African countries to join the Africa Initiative and encourage current members to continue their efforts, as the stories of their peers and the experiences shared are the best demonstration of the usefulness and the impact of tax transparency for DRM.

The African community should use this report as a source of information that can help them reflect and act together and with our partners to ensure that “Africa takes full responsibility for financing her development” as espoused in our Agenda 2063.

Albert M. Muchanga
Commissioner for Economic Development, Trade, Tourism, Industry, and Minerals
African Union Commission

Preface

Tax Transparency in Africa 2023: Africa Initiative Progress Report (TTiA 2023) is the fifth edition of this annual report, which takes stock of the progress made by African countries in tackling tax evasion and other illicit financial flows (IFFs) through enhanced tax transparency and exchange of information (EOI). The report is a joint publication by the African Union Commission, the African Tax Administration Forum and the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum). It is a key output of the Africa Initiative launched nine years ago by the Global Forum, its African members, partners and donors, to unlock the potential of EOI for African countries.

TTiA 2023 is published as African countries are recovering from the effects of the COVID-19 pandemic and being confronted with new challenges, such as disruptions to global supply chains due to conflicts and unreliable weather. As EOI is now well established as an effective tool to tackle tax evasion and other IFFs, it can play a critical role in enhancing African countries' domestic resource mobilisation (DRM) efforts to raise much needed revenues.

Thirty-eight African countries have provided inputs to this report. As in previous editions, the report provides statistical information on the implementation of the tax transparency standards – Standard on Transparency and Exchange of Information on Request (EOIR standard) and the Standard on Automatic Exchange of Financial Account Information (AEOI standard) – and their contribution to DRM in Africa.

TTiA 2023 shows significant progress. More African countries are joining global efforts to combat tax evasion through tax transparency. They are also making use of the infrastructures to help the resolution of tax audits/investigations with a cross-border element and to detect and deter cross-border tax evasion. In 2022, four African countries identified EUR 66 million in additional taxes through EOIR, while one of the five African countries engaged in AEOI reported the identification of over EUR 10 million in additional revenues thanks to the use of the data automatically received. More and more African countries are implementing the AEOI standard and committing to first exchanges by a specific date, and ten of them are committed to starting automatic exchanges by a specified date.

The progress is a result of both the growing political buy-in for the tax transparency agenda and the enhanced capacity-building led by a coalition of donors and partners working together under the banner of Africa Initiative.

We take this opportunity to thank all the members, partners and donors of the Africa Initiative for their contribution to advancing the tax transparency agenda in Africa. We remain steadfast in our commitment to help African countries address the challenges the continent faces in implementing and benefitting from the tax transparency standards. For together, we can achieve more.

As EOI is now well established as an effective tool to tackle tax evasion and other IFFs, it can play a critical role in enhancing African countries' domestic resource mobilisation efforts to raise much needed revenues.

Edward Kieswetter
Co-Chair of the Africa Initiative
Commissioner, South African Revenue Service

Dr Philippe Kokou Tchodie
Co-Chair of the Africa Initiative
Commissioner General, Togolese Revenue Office

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

The fifth edition of *Tax Transparency in Africa* is jointly published by the African Union Commission, the African Tax Administration Forum and the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum). Prepared by the Global Forum Secretariat,[1] the Tax Transparency in Africa 2023 report presents the progress of the Africa Initiative – in which all African members of the Global Forum and some non-member African countries participate – for the year 2022.

The Global Forum Secretariat would like to acknowledge with much appreciation the African Tax Administration Forum,[2] the Department for Economic Development, Trade, Industry and Mining of the African Union Commission[3] and the Governance and Economic Reform Department of the African Development Bank Group[4] for their contributions to this report. The Global Forum Secretariat also thanks its other partners: the *Cercle de* Réflexion *et d'Échange des Dirigeants des Administrations Fiscales*, the Commonwealth Association of Tax Administrators, the International Finance Corporation, the West African Tax Administration Forum and the World Bank for promoting the tax transparency agenda in Africa.

The Global Forum Secretariat is also immensely grateful to the donors who contribute to the funding of the Africa Initiative and the Global Forum's capacity building to African countries on tax transparency and exchange of information. These include the European Union, France, Germany, the Netherlands, Norway, Senegal,[5] Switzerland and the United Kingdom.

Finally, the authors extend special thanks to officials from the ministries of finance and tax administrations of all the 38 African countries, including non-members of the Global Forum, who provided data by responding to the Africa Initiative questionnaire. These data and responses were analysed and form the basis for the insights presented in the report. Their efforts in gathering the data and their patience in providing further clarifications have been critical to the quality of this report.[6]

1. This report was prepared by the following staff of the Global Forum Secretariat: Irene Bashabe, Clement Migai, Lena Walder – a team led by Ervice Tchouata and under the supervision of Hakim Hamadi, Head of the Capacity-Building and Outreach Unit, and Zayda Manatta, Head of the Global Forum Secretariat.

2. In particular, the authors would like to thank Mary Baine, Thulani Shongwe, Ephraim Murenzi under the leadership of Logan Wort, Executive Director, ATAF.

3 Ndinaye Sekwi Charumbira and Rumbidzai Treddah Manhando under the supervision of Djamel Ghrib, Director of Economic Development Integration & Trade.

4. Evelynne Change and Sandrine Ebakisse, under the supervision of Abdoulaye Coulibaly, Director of the Governance and Economic Reform Department.

5. 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.

6. In addition to the 38 African countries that provided data, the authors would particularly like to thank the following for their specific contributions: Kenya Revenue Authority, Liberia (Felicia Powson), Direction Générale des Impôts de Madagascar, Direction Générale des Impôts du Mali, Mauritius Revenue Authority, Rwanda (Jackson Rugambwa, Jean Clement Gatera and Frivole Niyomufasha), the South African Revenue Service and Uganda Revenue Authority.

Contents

The Africa Initiative, its members and partners 2
Foreword 6
Preface 8
Acknowledgements 10
Abbreviations and acronyms 12
Executive summary 13
Tax transparency in Africa at a glance 16

1. THE CRITICAL ROLE OF TAX TRANSPARENCY IN FIGHTING ILLICIT FINANCIAL FLOWS IN AFRICA 18

Illicit financial flows and their consequences 19
International tax transparency standards as a tool to curb illicit financial flows 20
The impact of exchange of information on request 20
The impact of automatic exchange of financial account information 22

2. DEVELOPMENTS IN TAX TRANSPARENCY IN AFRICA IN 2022 24

Building strong political buy-in to unpack the benefits of tax transparency for all African countries 26
Capacity building in 2022 28
Cross-border assistance in the recovery of tax claims 35
African countries' active contributions to Global Forum work and capacity-building activities 35
Partnerships to support African countries 36

3. AFRICAN COUNTRIES' PROGRESS IN IMPLEMENTING THE TAX TRANSPARENCY STANDARDS 40

Strengthening infrastructures for exchange of information on the continent 42
Implementation of the standard for exchange of information on request 49
Implementation of the standard of automatic exchange of financial account information 55

4. USING TAX TRANSPARENCY FOR DOMESTIC RESOURCE MOBILISATION 61

Use of exchange of information on request by African countries 62
Use of automatic exchange of information by African countries 66

5. LOOKING AHEAD 68

Making a radical change in the use of the exchange of information on request 69
Unpacking the benefit of automatic exchange of financial account information for more African countries 69
Strengthening African tax authorities' capacities to benefit from tax transparency and exchange of information 69
Advancing the use of cross-border assistance in the recovery of tax claims 69

ANNEX

Summary of the tax transparency progress by country in 2022 70

Please cite this report as:
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.

Abbreviations and acronyms

AEOI	Automatic Exchange of Financial Account Information
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AML	Anti-Money Laundering
ATAF	African Tax Administration Forum
AU	African Union
CA	Competent Authority
CBO Unit	Capacity Building and Outreach Unit of the Global Forum Secretariat
CRS	Common Reporting Standard
CREDAF	Cercle de Réflexion et d'Échange des Dirigeants des Administrations fiscales
DRM	Domestic Resource Mobilisation
DTC	Double taxation convention
EAC	East African Community
ECOWAS	Economic Community of West African States
EOI	Exchange of information
EOIR	Exchange of Information on Request
EU	European Union
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
IFC	International Finance Corporation
IFF	Illicit Financial Flows
ISM	Information Security Management
MAAC	Convention on Mutual Administrative Assistance in Tax Matters
OECD	Organisation for Economic Co-operation and Development
TIEA	Tax information exchange agreement
ToR	Terms of reference
TTiA	Tax Transparency in Africa
UNCTAD	United Nations Trade and Development Conference
VDP	Voluntary Disclosure Programme
WAEMU	West Africa Economic and Monetary Union
WATAF	West African Tax Administration Forum
WB	World Bank

Executive summary

Tax Transparency in Africa 2023: Africa Initiative Progress Report (TTiA) includes information provided by 38 African countries, the joint-highest number since the first edition of the report in 2019.[*] It shows remarkable developments in 2022 on the two strategic axes 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).

In 2022, the Africa Initiative redoubled its efforts to drum up political buy-in for tax transparency and EOI on the African continent at continental and regional level, through engagements with the African Union (AU) Commission, African Union member states, the African Development Bank, the African Tax Administration Forum and the West African Tax Administration Forum. Engagements were also held with other partners such as the *Cercle de réflexion et d'échange des dirigeants des administrations fiscales*.

* Algeria, Angola, Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Gambia, Ghana, Guinea Bissau, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

The high-level engagements contributed to strengthening collaboration with key international and regional institutions to promote the tax transparency agenda in Africa. The International Finance Corporation and the Commonwealth Association of Tax Administrators were welcomed as partners of the Africa Initiative.

The work on raising political awareness and commitment in Africa culminated in the Republic of the Congo joining the Global Forum and the Africa Initiative in June 2022. In addition, Botswana endorsed the Yaoundé Declaration in March 2022 as 34th signatory (33 African countries and the AU Commission).

In 2022, Tunisia committed to start automatic exchanges of financial accounts information (AEOI) by 2024, joining four other African countries (Kenya, Morocco, Rwanda and Uganda) that are committed to undertake their first automatic exchanges by a specific date, and five other countries already exchanging on a reciprocal basis (Ghana, Mauritius, Nigeria, Seychelles and South Africa).

African countries continued to improve their EOI infrastructures in 2022. Angola was invited to sign the Convention on Mutual Administrative Assistance in Tax Matters. Madagascar signed the Convention, and Burkina Faso, Mauritania and Rwanda deposited their instruments of ratification. As of December 2022, 94% of 38 African countries that participated in the survey had delegated the Competent Authority powers and functions to the tax administration, while 76% had established EOI units. Further, 62% had documented formal procedures for handling EOI requests and 57% had put in place tracking systems to monitor the handling of EOI requests and improve the effectiveness of the EOI function.

In addition, African countries continued to put established EOI infrastructures to good use. Although they cumulatively received more requests than they sent in 2022, the number of countries sending requests rose to 19, up from 15 in 2021. Moreover, the gap between the number of requests sent and received remained narrower than pre-2020 levels. However, as seen in 2021, a small cluster of countries account for the bulk of EOI activity in Africa: four countries account for 86% of all requests sent, with two countries alone accounting for over 75%.

The work on raising political awareness and commitment in Africa culminated in the Republic of the Congo joining the Global Forum and the Africa Initiative in June 2022. In addition, Botswana endorsed the Yaoundé Declaration in March 2022 as 34th signatory.

The year 2022 also confirms the return on investment in EOI infrastructures is assured when countries actively make use of it. In 2022, African countries reported EUR 66 million in additional revenues (tax, interest and penalties) as a result of EOI requests sent, a 77% increase on the EUR 37.2 million reported in 2021. In addition, one African country identified over EUR 10 million in additional revenue from the data received automatically, underlining the potential of AEOI to African countries. In total, five African countries identified additional revenues totalling EUR 76.6 million, the highest amount since the establishment of the Africa Initiative in 2014. This brings the total revenue gains from EOI in Africa since 2009 at over EUR 1.69 billion, through offshore tax investigations including EOIR, voluntary disclosure programmes launched in the context of the implementation of AEOI and making effective use of the data received automatically.

Finally, in response to the call by the Africa Initiative in 2021 for members to take deliberate steps to put in place the essential building blocks for enhancing the use of cross-border assistance in the recovery of tax claims, a workshop was held in 2022 to help participating countries with tools for assessing the maturity of their domestic tax debt management functions. Additionally, the training activities on cross-border assistance in the recovery of tax claims were launched in Africa with a first in-country training held for Tunisia.

While this report demonstrates African countries' progress in using tax transparency and EOI, it remains uneven. A significant number of African countries are not yet effectively using available EOI infrastructures to enhance their efforts for domestic resource mobilisation. This calls for new strategies by African tax authorities to establish a culture of EOI and ensure that it becomes a tool to promote tax compliance. These strategies should

11th meeting of the Africa Initiative, 14-16 June 2022, Nairobi, Kenya.

include continued capacity-building and awareness-raising activities targeting tax auditors/investigators on the usage of EOI as a tool to complement domestic information.

Progress is unbalanced between members of the Global Forum/Africa Initiative and between members and non-members. In general, older members have well-established EOI infrastructures compared to newer members, and similarly for members compared to non-members. These discrepancies call for continued engagements at the continental, regional and domestic levels to get political buy-in for tax transparency and EOI to ensure that tax authorities participate in and benefit from tax transparency and EOI work.

Technical assistance was provided to 33 African countries to overcome these challenges: 15 countries received comprehensive support and another 14 benefitted from tailored technical assistance to address specific needs. AEOI implementation was also given specific attention, with nine countries receiving "à la carte" technical assistance to establish the essential EOI building blocks. In addition, four non-members received pre-membership support to implement an agenda for tax transparency within their countries. Fifteen training events were organised in 2022 and delivered to 1 170 officials representing 34 members of the Africa Initiative and 3 non-members. Further, more than 1 800 additional officials were trained by EOI local trainers who participated in the "Train the Trainer" programme. Finally, eight African female tax professionals participated in the "Women Leaders in Tax Transparency" programme aimed at promoting female leadership in tax transparency.

Looking ahead, the Africa Initiative will continue to advocate for African countries to make effective use of EOI by sending more requests and exploiting information received in their tax audits, as well as making effective use of data received automatically. Political dialogue will be sustained at the continental, regional and country levels to champion support for tax transparency and EOI as a crucial tool for combating tax evasion and reducing IFFs from Africa. The Africa Initiative will also continue developing new tools and building capacity on cross-border assistance in the recovery of tax claims.

Tax transparency in Africa at a glance

The Africa Initiative has developed and expanded its capacity-building activities to ensure transparency and exchange of information (EOI) benefit African countries. In 2022, five African countries reported identifying EUR 76.6 million of additional revenues (tax, interests and penalties) through EOI, the highest amount since the launch of the Africa Initiative in 2014. These latest figures bring the total revenues identified by African countries as a result of EOIR, other offshore tax investigations, AEOI-related voluntary disclosure programmes and the use of data automatically exchanged to at least EUR 1.69 billion since 2009. .

37 Members of the Africa initiative

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

Donors and partners of the Africa initiative

Partners: African Development Bank Group (AfDB), African Tax Administration Forum (ATAF), African Union (AU) Commission, *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales (CREDAF)*, Commonwealth Association of Tax Administrators (CATA), International Finance Corporation (IFC), West African Tax Administration Forum (WATAF) and World Bank.

Donors: European Union, France, Germany, the Netherlands, Norway, Senegal*, Switzerland, United Kingdom.

Africa in the Global Forum

- 20 African countries have joined the Global Forum since 2014.
- 37 African countries are members of the Global Forum, they make up 22% of its membership.
- AU Commission, ATAF, AfDB and WATAF are observers.

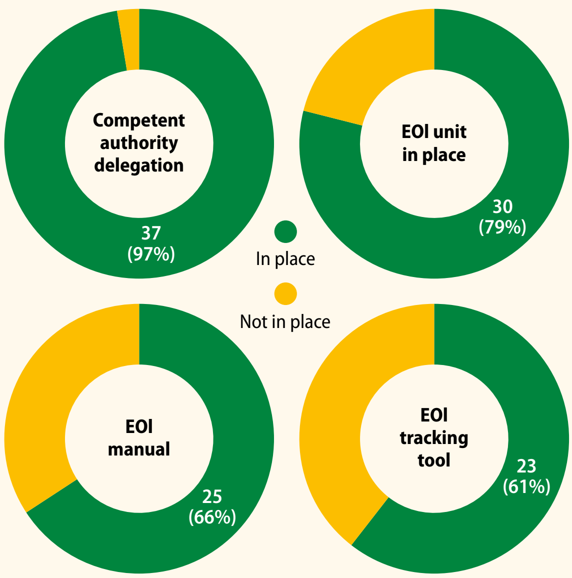
Capacity building in figures in Africa in 2022

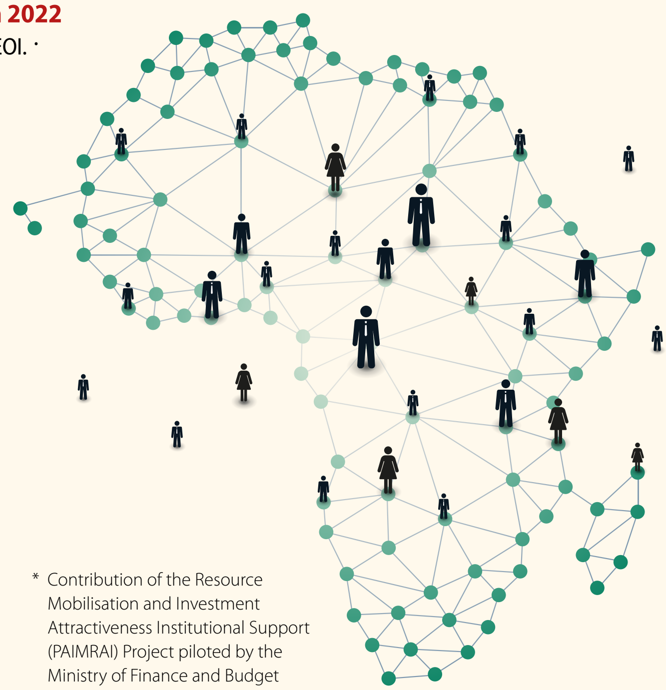
- The induction programme for 15 countries were advanced.
- 14 members received tailored support.
- 4 non-members received pre-membership support.
- 15 training events were held with the participation of 1 170 officials from 34 members and 3 non-members.
- 27 officials from 13 African countries participated in the 2022 edition of the Train the Trainer Programme and held 21 local trainings for 433 tax officials in their respective countries.
- 8 female officials from 8 African members participated in the first edition of the Women Leaders in Tax Transparency programme.
- 9 African members joined the Global Forum's Information Security Management network.

Implementation of exchange of information in Africa in 2022

Most African members have set up the core elements for effective EOI. Work is ongoing with the recent members to fill the gap.

Share of countries giving low, medium and high priority to EOI



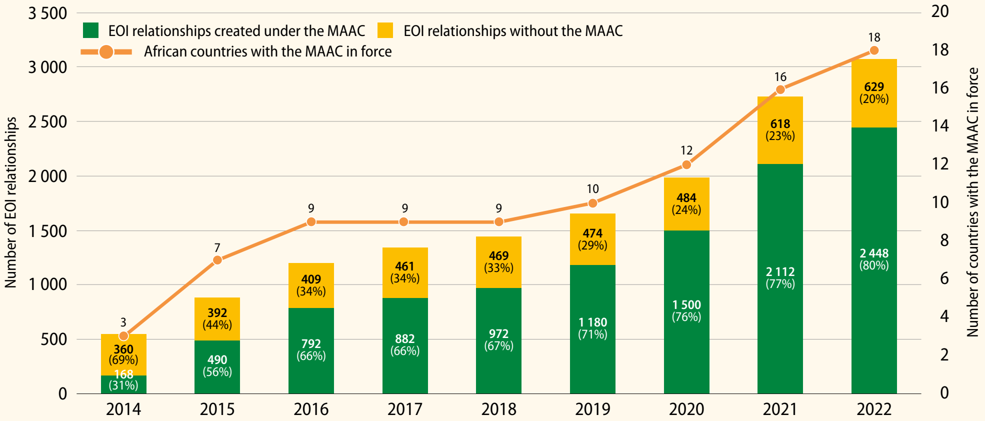


* Contribution of the Resource Mobilisation and Investment Attractiveness Institutional Support (PAIMRAI) Project piloted by the Ministry of Finance and Budget of Senegal and supported by the African Development Bank.

Expanding exchange of information relationships

Africa's EOI network has reached over 3 070 EOI relationships (agreements in force), of which 80% are EOI relationships created under the Convention on Mutual Administrative Assistance in Tax Matters (MAAC).

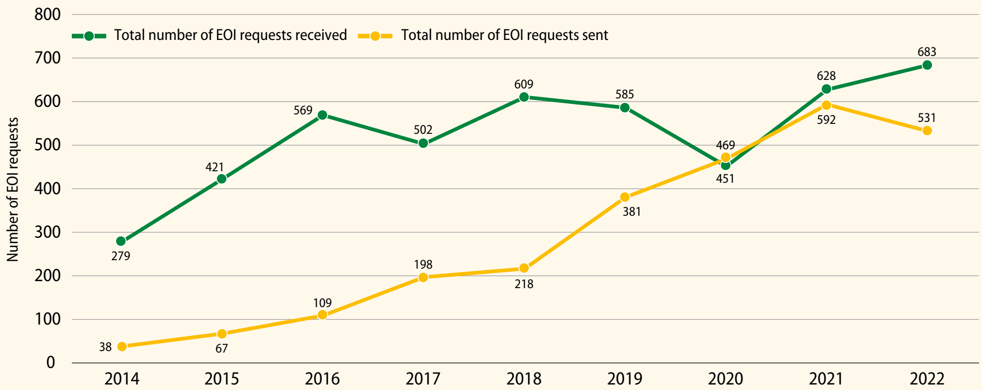
Number of exchange of information relationships in force established by African countries since 2014



Requests for information sent and received by African countries in 2022

African countries made a total of 531 EOI requests in 2022. Although this represents a decline from the 592 requests sent in 2021, the gap between requests sent and received is narrower than pre-2020 levels. While the number of requests sent dropped, the number of incoming EOI requests rose 9% to 683 in 2022, from 628 in 2021. Most African countries are still behind their potential and more efforts need to be put into the operationalisation of EOI.

Requests for information sent and received by African countries since 2014



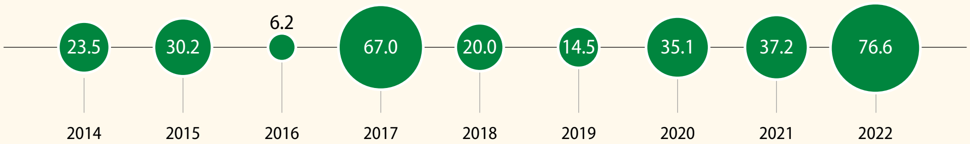
Implementation of automatic exchange of financial account information in Africa

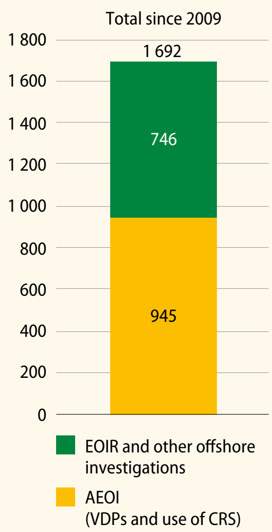
2017	Seychelles South Africa
2018	**Mauritius** Seychelles South Africa
2019	**Ghana** Mauritius Seychelles South Africa
2020	Ghana Mauritius **Nigeria** Seychelles South Africa
2023 (Expected)	Ghana Mauritius Nigeria Seychelles South Africa **Uganda**
2024 (Expected)	Ghana **Kenya** Mauritius Nigeria Seychelles South Africa **Tunisia** Uganda
2025 (Expected)	Ghana Kenya Mauritius **Morocco** Nigeria **Rwanda** Seychelles South Africa Tunisia Uganda

Revenue identified in 2022

African countries reported EUR 66 million in additional taxes as a result of EOI requests sent in 2022, a 47% increase on the EUR 37.2 million reported in 2021. In addition, one African country identified EUR 10.6 million in additional revenue using CRS data. In total, five African countries reported identifying at least EUR 76.6 million, the highest figure since the launch of the Africa Initiative in 2014. This brings the total revenue gains from EOI in Africa since 2009 at over EUR 1.69 billion, through offshore tax investigations including EOIR, voluntary disclosure programmes (VDPs) launched in the context of the implementation of AEOI and making effective use of the data received automatically.

Yearly EOI revenues identified by African countries (in EUR million)





1

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

The international tax transparency standards have proven to be an effective tool in curbing tax evasion and other illicit financial flows and generating additional revenue ready to be invested in the development and provision of public services. As a matter of fact, it is already, and should be even more in the future, beneficial to all Global Forum members in their diversity. During the past eight years, the Africa Initiative has changed the tax transparency landscape in Africa, acting jointly with the Global Forum. However, continuous action is needed to ensure a long-lasting positive impact. Working with its partners, the Global Forum will continue to serve African countries and to support the Africa initiative in its efforts to build or enhance their capacities to use the EOI standards at their full potential on the continent.

Gaël Perraud, Chair of the Global Forum

Tax transparency is fundamental to the sustainable development of a country and its government's capacity to respond to its people's needs. In the absence of transparency, tax systems are exposed to tax evasion, which undermines the collection of tax revenues and affects their fairness. Beyond tax evasion, the lack of transparency also enables other forms of illicit financial flows (IFFs), which have a negative impact on development. IFFs do not only impede a country's ability to finance essential public services, such as health care and education, but has also a detrimental effect on its economic potential. The negative impact of IFFs is especially adverse for developing countries, considering their limited resources.

ILLICIT FINANCIAL FLOWS AND THEIR CONSEQUENCES

While there is no universally accepted definition of IFFs, it is widely agreed that 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] This includes money laundering, bribery and tax evasion.

Several studies have tried to estimate the total amount of IFFs in Africa. However, due to the secret nature of IFFs and the absence of a universally accepted definition, it is extremely difficult to accurately track them, and estimates can vary considerably.[2] Yet, it is generally accepted that IFFs most certainly surpass aid flows and investment in volume in Africa.[3] In 2019, the AU Commission estimated that the amount of IFFs from Africa ranged between USD 50 and USD 80 billion (EUR 48-77 billion) annually.[4]

It is generally accepted that IFFs most certainly surpass aid flows and investment in volume in Africa.

The 2020 estimate by the UNCTAD is even higher, set at USD 88.6 billion (EUR 85.1 billion) annually,[5] or 3.7% of Africa's gross domestic product.

In parallel, the annual Sustainable Development Goals financing gap for Africa was estimated at USD 200 billion (EUR 192 billion) pre COVID-19 pandemic. The repercussions of the pandemic, however, created an additional financing need of around USD 154 billion (EUR 148 billion), which means the resources necessary to fill the Sustainable Development Goals financing gap increased by over 50%.[6] This emphasises once more the urgency of eliminating IFFs to capture much-needed resources to meet the goals of the 2030 Agenda for Sustainable Development (Target 16.4 of Goal 16): "*By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime*".[7]

While almost every country faces IFFs, the consequences for developing countries are particularly damaging, given their limited resources. It prevents countries from financing much-needed public services, hampering economic and social development. One of the immediate consequences of tax evasion is that it hampers domestic expenditure and investment and translates into fragile infrastructure, insufficient and low-quality education, as well as a lack of public safety provision through adequate police force.[8] IFFs hence represent a major

1. OECD (2014), *Illicit Financial Flows from Developing Countries: Measuring OECD Responses*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264203501-en. For more discussions on the definition of IFFs and the critical role of EOI in combating tax evasion as a component of IFFs see the 2021 and 2020 Tax Transparency in Africa Reports available at https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/africa-initiative.htm.

2. United Nations. Economic Commission for Africa (2015), *Track it! Stop it! Get it! Illicit financial flows: Report of the High Level Panel on Illicit Financial Flows from Africa, Addis Ababa*, https://www.unodc.org/documents/NGO/AU_ECA_Illicit_ Financial_Flows_report_EN.pdf.

3. See for example OECD (2014), *Illicit Financial Flows from Developing Countries: Measuring OECD Responses, op. cit.*; United Nations Economic Commission for Africa (2015), *Track it! Stop it! Get it! Illicit financial flows: Report of the High Level Panel on Illicit Financial Flows from Africa*, op. cit.; African Union Commission (2019), *Domestic Resource Mobilization: Fighting against Corruption and Illicit Financial Flows*, AUC Publishing, Addis Ababa; and UNCTAD (2020), *Economic Development in Africa Report 2020: Tackling Illicit Financial Flows for Sustainable Development in Africa*, United Nations, Geneva.

4. African Union (AU) Commission (2019), *Domestic Resource Mobilization: Fighting against Corruption and Illicit Financial Flows*, op. cit.

5. UNCTAD (2020), *Economic Development in Africa Report 2020, Tackling Illicit Financial Flows for Sustainable Development in Africa, op. cit.*

6. UNCTAD (2022), *Report on Illicit Financial Flows in Africa*. https://unctad.org/system/files/non-official-document/IFFsAfrica_FinalReport_20221121.pdf.

7. UN (2015), *Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the General Assembly* on 25 September 2015, https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/291/89/PDF/N1529189.pdf?OpenElement.

8. OECD (2014), *Illicit Financial Flows from Developing Countries: Measuring OECD Responses, op. cit.*

obstacle to international development efforts and exacerbate countries' fragility in the long-term. Ensuring tax transparency is one of the solutions to untie the Gordian Knot of IFFs and mobilise more domestic resources for development.[9]

Likewise, the Addis Ababa Action Agenda, aiming to align all financial flows and policies with the 2030 Agenda for Sustainable Development priorities, highlights the importance of stemming IFFs.[10] The African Union (AU) Agenda 2063 also outlines Africa's commitment to accelerate actions to strengthen domestic resource mobilisation by reversing IFFs from the continent.[11]

INTERNATIONAL TAX TRANSPARENCY STANDARDS AS A TOOL TO CURB ILLICIT FINANCIAL FLOWS

The consensus on curtailing activities that generate IFFs outlines the need for adopting effective tools to deal with these threats. Because the opacity and secrecy surrounding the origin and destination of IFFs is at the heart of the issue, transparency has emerged as one of the effective tools for combating IFFs. For example, since transparency removes the veil of secrecy, it renders the use of legal persons and/or arrangements in transactions facilitating IFFs less attractive by enabling the identification of the legal and beneficial owners of legal entities or arrangements. Transparency also provides for the access to banking information and accounting records, which is also fundamental to identify the origin and destination of the flows. Increased transparency therefore makes it easier for national authorities to track down individuals and/or companies involved in illegal activities and to enforce their laws.

Tax transparency is an effective tool in combating tax evasion and other types of IFFs, such as corruption, money laundering and terrorism financing, and enhances domestic resource mobilisation (DRM). The tax transparency standards, the Standard on Transparency and Exchange of Information on Request (EOIR) and the Standard on Automatic Exchange of Financial Account Information (AEOI) under the Common Reporting Standard (CRS) listed in Table 1, aim at improving transparency by disclosing legal and beneficial ownership information, as well as accounting and banking information. These standards also seek to improve the access to that information and its effective exchange with foreign partners. By promoting the adoption and implementation of legal and administrative frameworks that ensure the availability of critical information, the tax transparency standards also enable law enforcement authorities to track, detect and sanction the abuse of legal entities and arrangements for other IFFs activities.

IMPACT OF EXCHANGE OF INFORMATION ON REVENUE COLLECTION

The ultimate aim of EOI is to obtain information that is relevant for tax investigations, audits and other compliance activities. Monitoring the amounts of tax identified through EOI enables the tax administration to clearly track its impact on DRM. Yet only 14 out of 32 African countries that responded to the TTiA survey monitor the contribution of EOI on revenue collection. The majority (nine African countries) monitors the tax identified through occasional case-by-case feedback received from tax auditors and investigators. Three African countries use the Global Forum's Impact Assessment Tool,[12] while two have an automated tracking system in place.

By the end of 2021, Global Forum members had identified more than EUR 114 billion of additional revenues (tax, interests, penalties), thanks to the implementation of the EOIR and AEOI standards, including the related voluntary disclosure programmes (VDPs) and offshore tax investigations, with over EUR 30 billion identified by developing countries.[13] In 2022, five African countries reported identifying

9. OECD (2018), *Illicit Financial Flows: The Economy of Illicit Trade in West Africa,* OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264268418-en.

10. United Nations (2015). *Report of the third international conference on financing for development.* A/CONF.227/20. Addis Ababa, https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/241/03/PDF/N1524103.pdf?OpenElement.

11. AU Commission (2015). *Agenda 2063: The Africa we want,* https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf.

12. The Global Forum's impact assessment tool is available to tax authorities upon request. For more information: https://www.oecd.org/tax/transparency/documents/documents-available-to-tax-authorities-upon-request.htm.

13. OECD (2022), *Raising the Bar on Tax Transparency, 2022 Global Forum Annual Report,* https://www.oecd.org/tax/transparency/documents/global-forum-annual-report-2022.pdf.

TABLE 1. **Overview of the tax transparency standards**

Transparency and exchange of information on request	Automatic exchange of financial account information
The EOIR standard requires a jurisdiction's competent authority (CA) – usually, the tax authority – to provide on request information to another jurisdiction's CA that is foreseeably relevant for conducting a tax investigation and to enforce its tax laws or the provisions of a tax agreement in force between two countries. The EOIR standard is built around three pillars of availability, access and exchange, which form the basis of its Terms of Reference (ToR).[a] **A. Availability of information:** jurisdictions should ensure the availability of (i) legal and beneficial ownership information of all relevant legal entities and arrangements, (ii) accounting records and underlying documents, and (iii) banking information (including information on legal and beneficial owners of account) in banks within the jurisdiction. **B. Access to information:** jurisdictions should have the authority and powers to obtain relevant information for tax purposes, including legal and beneficial ownership, accounting and banking information. **C. Exchange of information:** jurisdictions should have an international legal basis or mechanism, and an organisation to be able to exchange information in a timely manner. All members of the Global Forum have committed to the implementation of the EOIR standard, and the level of compliance with this standard, both in terms of the legal framework and the implementation in practice, is assessed under the Global Forum's peer review process to ensure a level playing field.	The AEOI standard requires financial institutions to apply due diligence rules and periodically report information regarding financial accounts of tax residents of other jurisdictions to their local CAs. Subsequently, the CAs automatically exchange this information with the CAs of other jurisdictions (i.e. the country of tax residence of the account holder). The CRS contains details as to the due diligence process that should be applied by financial institutions to determine what accounts are reportable and the items of information that should be exchanged amongst other relevant indications. All members of the Global Forum are committed to the implementation of the AEOI standard, whilst not all jurisdictions are expected to implement it immediately, due to time needed for them to develop their capabilities. Currently, a total of 123 jurisdictions are committed to exchanging financial account information automatically by 2026.[b] Jurisdictions implementing the AEOI standard undergo a peer review process by the Global Forum. The peer reviews are carried out against the three Core Requirements (CR) of the AEOI ToR[c]: **CR 1**: jurisdictions should ensure that all reporting financial institutions apply due diligence procedures which are in accordance with the CRS to review the financial accounts they maintain and collect and report the information required by the CRS. **CR 2:** jurisdictions should exchange information with all interested appropriate partners[d] in accordance with the AEOI standard, in a timely manner, ensuring it is sorted, prepared, validated and transmitted in accordance with the AEOI standard. **CR 3:** jurisdictions should keep the information exchanged confidential and properly safeguarded, and use it in accordance with the exchange agreement under which it was exchanged.

(a) OECD (2016), *Exchange of Information on Request, Handbook for Peer Reviews 2016-2020,* available at https://www.oecd.org/tax/transparency/documents/terms-of-reference.pdf.

(b) Status of AEOI commitments, available at https://www.oecd.org/tax/transparency/aeoi-commitments.pdf.

(c) OECD (2018), The Framework for the full AEOI reviews: the terms of reference, available at https://www.oecd.org/tax/transparency/documents/terms-of-reference-for-aeoi-reviews.htm.

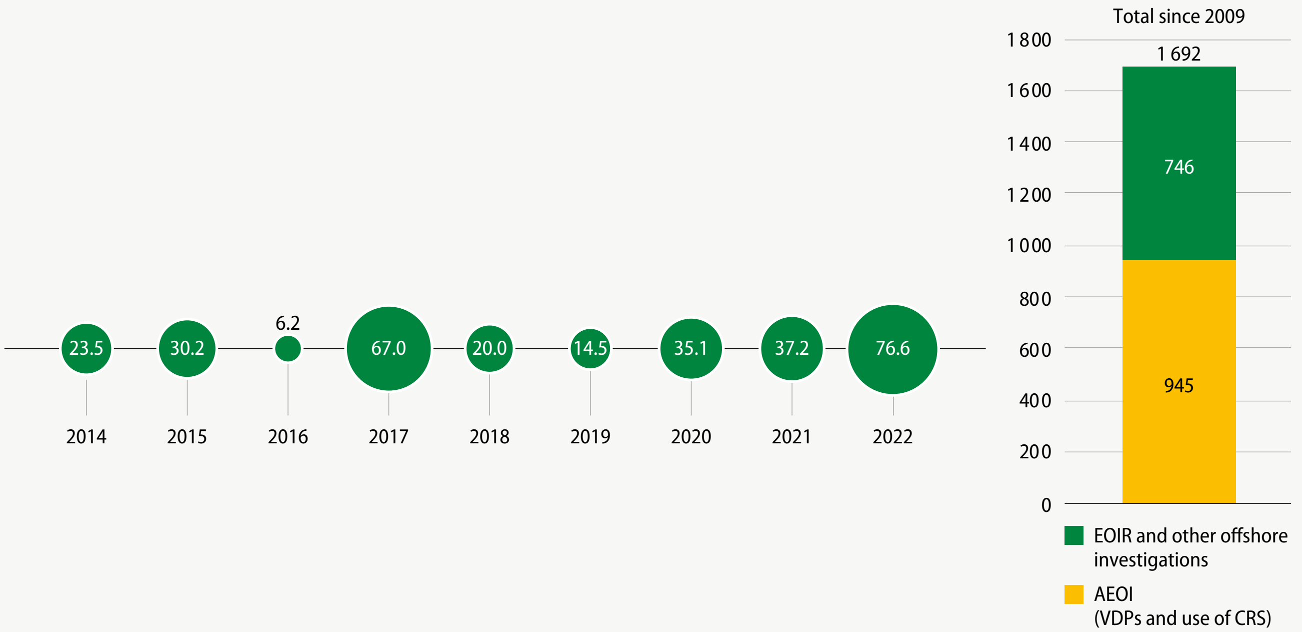
(d) Interested appropriate partners are those interested in receiving information and that meet the required standards in relation to confidentiality and data safeguards.

over EUR 76.6 million in additional revenue through the use of EOIR and CRS data, the highest amount since the establishment of the Africa Initiative in 2014 (see Figure 1). In total, between 2009 and 2022, African countries have identified over EUR 1.69 billion of additional revenues as a result of EOIR, other offshore tax investigations and VDPs related to AEOI and use of CRS data. This is likely the low range, as the majority of the African respondents are not systematically monitoring the impact of EOI on DRM, and some African countries have not provided data or have not done so for all years.

The impact of exchange of information on request

EOIR is an essential tool to support tax authorities worldwide to access taxpayers' information held abroad and determine whether they are paying their due taxes. In the context of EOIR, if a country does not send requests, it cannot obtain information that is critical to the resolution of tax audits/investigations with a cross-border element. Consequently, potential additional tax revenue that may be assessed as a result of offshore information may remain out of the reach of tax authorities.

FIGURE 1. **Revenues identified as a result of exchange of information, in EUR million**



Note: The left figure reflects the situation for 38 African countries which have provided data in the corresponding year. It reflects the revenues generated through EOIR and the use of CRS data. The right figure takes into account all sources of revenues, namely EOIR and other offshore investigation, as well as VDPs and the use of CRS data.

Source: Tax Transparency in Africa Survey 2023

In 2022, four African countries (Kenya, South Africa, Tunisia and Uganda) identified additional revenues totalling EUR 66 million through the use of EOIR, almost equalling the EUR 67 million identified through the use of EOIR in 2017. Since 2009, African countries have identified over EUR 310 million through EOIR alone.

THE IMPACT OF AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

AEOI has also had a positive impact on the fight against tax evasion. For example, studies have found that the number of financial assets held in international financial centres declined by 22% since the beginning of AEOI under the CRS.[14]

In 2021, information on over 111 million financial accounts were exchanged under the CRS worldwide, covering around EUR 11 trillion worth of assets.[15] From 2014 to 2021, countries implementing the AEOI standard had identified EUR 3.5 billion through the use of CRS data and EUR 87 billion through VDPs linked to AEOI.

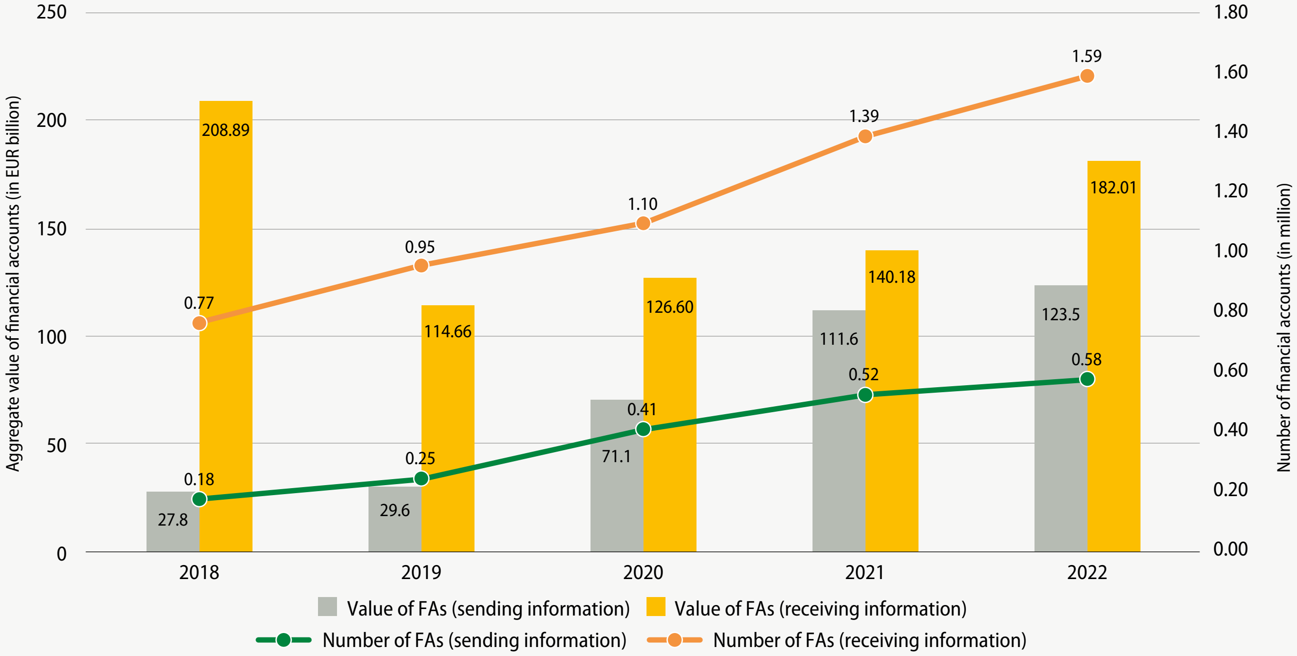
For the first time, in 2022, one African country reported having identified EUR 10.6 million in additional taxes through the use of CRS data.

Since 2018, the five African countries that are exchanging AEOI data have sent information covering a total of 1.93 million financial accounts with a total value of EUR 363.5 billion. In turn they have received information covering a total of 5.80 million financial accounts with a total value of EUR 772.3 billion. The number of financial accounts and the aggregate value of financial accounts for which information was sent and received by African countries has been increasing steadily over the years, except for 2018 (Figure 2). African countries that are exchanging AEOI data have received more information than they have sent, indicating the potential for AEOI for these countries.

14. O'Reilly, P., K. Parra Ramirez and M. A. Stemmer (2019), *"Exchange of Information and Bank Deposits in International Financial Centres"*, OECD Taxation Working Papers, No. 46, OECD Publishing, Paris, https://doi.org/10.1787/025bfebe-en.

15. OECD (2022), *Raising the Bar on Tax Transparency, 2022 Global Forum Annual Report*, op. cit.

FIGURE 2. **Number of financial accounts covered by African countries' automatic exchanges of information**



Note: The figure represents feedback provided by the five African countries that are exchanging information automatically.

Source: Tax Transparency in Africa Survey 2023.

12th meeting of
the Africa Initiative,
8 November 2022,
Seville, Spain.

2

Developments in tax transparency in Africa in 2022

The developments in tax transparency in Africa in 2022 were hinged around its two strategic pillars:

1. raising political awareness and commitment in Africa
2. developing African countries' capacities in tax transparency.

2022
KEY TAKE-AWAYS

Building strong political buy-in to unpack the benefit of tax transparency for all African countries

- **High-level political engagements in Africa to promote tax transparency and EOI**: In partnership with the AU Commission, the tax transparency agenda was promoted through the inclusion of a discussion on the findings of the TTiA 2022 report in the agenda of the 5th Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration Experts Meeting in July 2022. The Republic of the Congo (Congo) was welcomed as the 34th member of the Africa Initiative upon joining the Global Forum. Two new partners (the International Finance Corporation (IFC) and the Commonwealth Association of Tax Administrators (CATA)) joined the Africa Initiative. Tunisia committed to implement the Standard of Automatic Exchange of Financial Account Information by September 2024.

- **Yaoundé Declaration**: Originally signed by four countries in November 2017, the Yaoundé Declaration counts 33 signatory countries and the AU Commission, Botswana being the latest signatory.

- **Tax Transparency in Africa 2022**: The 2022 progress report, reflecting the progress made by the 38 countries that responded to the survey on the implementation and the use of the tax transparency standards, was launched at the 11th Africa Initiative meeting held in Nairobi, Kenya.

Capacity building

- **Technical assistance**: 33 African countries received technical assistance on various topics including improving the beneficial ownership frameworks, broadening the EOI networks through the MAAC, improving the organisation of the tax administrations and setting up of functioning EOI units, strengthening the legal and operational framework for AEOI and pre-membership support.

- **Developing tax officials' skills in EOI**: 15 training events were held for or with the participation of 1 170 officials from African countries to ensure effective use of EOI instruments to tackle illicit financial flows and increase domestic resources mobilisation. Moreover, 27 officials from 13 African countries participated in the 2022 edition of the Train the Trainer Programme and held 21 local trainings for 433 tax officials in their respective countries.

Cross-border assistance in the recovery of tax claims

- Several capacity-building activities were carried out to help African countries build their frameworks for effective participation in cross-border assistance in the recovery of tax claims, including two meetings of the related Working Group focusing on the use of the Tax Debt Management Maturity Model and on the development of a toolkit, and an in-country training for Tunisia on this form of administrative co-operation.

Women Leaders in Tax Transparency

- 8 female tax professionals from 8 African countries participated in the 2022 Women Leaders in Tax Transparency Programme, which promotes increased participation of female officials in leading positions of national tax administrations or ministries of finance.

African countries' active contributions to Global Forum work and capacity-building activities

- African countries contributed as members to all Global Forum's subsidiary bodies, including the Steering Group (2 African countries), the Peer Review Group (2 African countries) and the Automatic Exchange of Information Peer Review Group (3 African countries) and members in relation to Automatic Exchange of Information Peer Review Group in its expanded composition, which deals with confidentiality and data safeguards (4 African countries).

- African countries also contributed their technical expertise to exchange of information on request peer reviews (13 African countries), confidentiality and data safeguard assessments (4 African countries) and the Task Force on Risks (2 African countries).

- African countries further contributed experts to the training events organised by the Global Forum Secretariat (2 African countries).

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

Three major activities were conducted to unpack the benefit of tax transparency:

- participation in high-level meetings and events
- promotion of the Yaoundé Declaration
- demonstrating the impact of tax transparency and EOI in DRM through the Tax Transparency in Africa Report and Africa Initiative meetings.

High-level political engagement in Africa at the continental and regional levels to advocate for tax transparency and exchange of information

The Africa Initiative has adopted a three-pronged approach to advance tax transparency consisting of engagement at the continental, regional and country levels. This approach is based on the grounds that there are institutions which play a key role in shaping the policy decisions aimed at combating IFFs at the continental, regional and local levels. There is therefore a need to raise awareness on the potential of tax transparency at these levels and advocate for its inclusion in the different political agendas. The ultimate objective is to ensure a coordinated response to the issue of IFFs, which takes into account the contribution of tax transparency and EOI.

In 2022, the Africa Initiative held discussions with partners at continental and regional level in order to enhance the visibility of transparency and EOI in Africa.

At the continental level, several meetings were organised with the AU Commission, including participation in the 5th Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration Experts Meeting in July 2022.[1] The outcomes from the engagements stressed the importance for countries that have not joined the transparency and EOI agenda to do so.

Engagements were also held with the African Development Bank (AfDB) in preparation of its "*Executive Training Series on Domestic Revenue Mobilisation in Africa During Crisis and Beyond*" in March, May and June 2022. The trainings conducted in collaboration with the African Development Institute of the AfDB counted 127 participants from 44 African countries across diverse institutions, including Ministries of the Economy, Finance, Planning and Budget; Central Banks; Revenue Authorities; Debt Management Offices and other government agencies. In October 2022, a high-level meeting was held with AfDB to further strengthen the collaboration on tax transparency.

Engagement at senior level between the Global Forum Secretariat and the ATAF Secretariat continued in 2022 to coordinate joint activities in EOI on the continent.

At the regional level, engagements to champion tax transparency were held with the West African Tax Administrations Forum (WATAF) Tax Audit Network in April 2022, where 64 participants attended a session on administrative co-operation tools to support the audit of cross border transactions, as well as the WATAF 4th High-level Policy dialogue held in September 2022, on the theme "*Boosting Revenue Administration Through Efficient Leadership and Corporate Governance*", where the Global Forum Secretariat participated in a panel and delivered a presentation on "*Improving the Use, Exchange, and Security of Taxpayer Information in the Era of Big Data*". Further engagements were also held at the *Cercle de réflexion et d'échange des dirigeants des administrations fiscales* (CREDAF) Annual Conference attended by over 10 heads of tax administrations of French speaking African countries in June 2022.

The engagements at the continental and regional levels contributed tangible results on advancing the tax transparency agenda in Africa. For example, ***the Republic of the Congo, joined the Global Forum and the Africa Initiative*** as the 34th African country during the last day of the 11th Africa Initiative meeting held in Nairobi, Kenya, in June 2022.

1. The AU Commission's Specialised Technical Committee is the leading Conference for African ministers responsible for finance, economy, planning, integration and economic development, and central bank governors, to discuss matters about the development of Africa. It is also charged with following up on the implementation of the integration agenda for the continent. For more see: https://au.int/en/stc.

11th meeting of the Africa Initiative, 14-16 June 2022, Nairobi, Kenya.

Promotion of the Yaoundé Declaration

The *Yaoundé Declaration*[2] aimed at boosting African countries' efforts towards implementing the international standards and using EOI tools to improve their DRM, is an important commitment for African countries. Originally signed by four countries in November 2017, the Yaoundé Declaration currently counts 34 signatories, including the AU Commission. Its goal is to ensure that African countries take ownership of the tax transparency agenda and promote it to serve the continent's interests in fighting tax evasion and IFFs, thus enhancing DRM. The efforts made, including through the communication by the Africa Initiative leadership to countries that had not yet signed the Yaoundé Declaration, culminated in Botswana joining as 34th signatory of the Yaoundé Declaration in March 2022.

The Africa Initiative took advantage of its June 2022 meeting to celebrate the 5th anniversary of the Yaoundé Declaration during a high-level working dinner with heads of tax administrations. The statement of outcomes[3] recognised that the African Continental Free Trade Area (AAfCFTA) Agreement currently at its implementation stage brings new opportunities but also new risks on DRM, as it will ultimately lead to increased cross-border economic activities within Africa. The heads of tax administrations therefore committed to advancing EOI and fight tax evasion and other forms of IFFs in their respective countries and at the level of regional economic communities. They also recognised the importance of cross-border assistance for the recovery of tax claims as complementary to EOI and agreed on the need to remove the barriers to this form of mutual assistance, including by lifting or avoiding any reservation in relation to it in MAAC[4] and other mutual administrative assistance agreements. Finally, recognising the benefits of participating in the work of the Africa Initiative, heads of tax administrations called on non-members to join the international efforts on tax transparency by becoming members of the Global Forum and the Africa Initiative.

2022 progress report

Demonstrating the impact of EOI on DRM is of profound importance for the Africa Initiative, as it provides evidence on the benefits and importance for governments to prioritise tax transparency as a concrete tool to tackle tax evasion and other IFFs to enhance DRM. It also has a positive impact on taxpayer compliance and increases the public perception of the tax systems' fairness. The TTiA report, which is published annually, serves this purpose.

The TTiA survey, which facilitated the preparation of 2022 TTiA report, was launched in January 2022. The

2. More details on the Yaoundé Declaration can be found at this link: https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/the-yaounde-declaration.htm.

3. Statement of outcomes of the 11th Africa Initiative meeting held from 14-16 June 2022, Nairobi, Kenya: https://www.oecd.org/tax/transparency/documents/11th-meeting-of-the-africa-initiative-statement-of-outcomes.pdf.

4. OECD and Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, available at http://dx.doi.org/10.1787/9789264115606-en; and https://www.oecd.org/tax/exchange-of-tax-information/ENG-Amended-Convention.pdf.

Africa Initiative leadership encouraged both members and non-members of the Africa Initiative to provide responses to the questionnaire, and 38 countries (32 members and 6 non-members)[5] responded. The responses resulted in the 2022 TTiA report,[6] a joint publication by the AU Commission, ATAF and the Global Forum, which was launched at the 11th Africa Initiative meeting held in June in Nairobi, Kenya. This fourth edition of the report reflected significant progress made by the 38 countries in the implementation and the use of the tax transparency standards, including the continued expansion of the networks of EOI relationships, the increasing number of requests sent, the growing commitment to AEOI and the increase in revenue identified through EOI.

Peer-to-peer knowledge sharing

The Africa Initiative promotes peer-to-peer learning on tax transparency. This is premised on the belief that African countries can collectively realise the full potential of EOI if they are able to share best practices and learn from each other and from other regions. In this respect, the Africa Initiative annual meetings offer a unique platform for knowledge and experience sharing among African countries through the discussion of topics that may advance the tax transparency agenda in Africa.

The 11th Africa Initiative meeting was an onsite meeting, which attracted over 150 delegates from 32 African countries, including 7 non-members,[7] 20 partners and donors of the Africa Initiative, and invited organisations. In addition to the onsite attendance, the first day of the meeting was a public session held in a hybrid format, which was attended by 159 participants online.

Topics selected for discussion were very important and enabled peer learning.[8]. They included discussions linking EOI to DRM, how African countries can translate progress made in establishing EOI infrastructures into revenue gains and how to measure the impact of EOI.

Delegates also discussed how African countries could overcome barriers to AEOI implementation and build effective beneficial ownership frameworks in Africa. Finally, they also shared experiences and agreed to establish the essential building blocks for participation in cross-border assistance in the recovery of tax claims, including by recommending lifting or avoiding any reservation in relation to this form of co-operation in the MAAC and other mutual administrative agreements.

Engaging with civil society organisations

Civil society organisations are influential voices on matters which affect the society at large and play an important role in advancing the tax transparency agenda on the continent. In recognition of this, the Africa Initiative incorporates their perspectives during its meetings. In 2022, civil society organisations participated in the 11th Africa Initiative meeting held in Nairobi, Kenya in June 2022, including as a panellist during the launch of the 2022 TTiA report. They commented on the findings of the TTiA and took note of the progress made and the remaining challenges for African countries to fully benefit from tax transparency.

CAPACITY BUILDING IN 2022

The second pillar the Africa Initiative focused on in 2022 related to developing capacities to ensure that African countries are able to use the tax transparency standards to enhance their DRM. This took the form of technical assistance, trainings and other capacity-building support.

Technical assistance

With the support of partners and donors of the Africa Initiative, intensive technical assistance continued to be delivered to African countries in 2022 through induction programmes, tailored assistance programmes and pre-membership support, covering multiple areas of EOIR or AEOI (33 countries supported in total on the continent):

5. The following countries provided answers to the survey: Algeria, Angola, Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Chad, Congo (Republic of the), Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Gambia, Ghana, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Tanzania, Togo, Tunisia, Uganda and Zimbabwe.

6. OECD (2022), *Tax Transparency in Africa 2022: Africa Initiative Progress Report*, https://www.oecd.org/tax/transparency/documents/tax-transparency-in-africa-2022.pdf.

7. Angola, Burundi, Congo (Republic of the), Sierra Leone, South Sudan, Zambia and Zimbabwe.

8. The following jurisdictions and partners intervened during the meeting to share their experience or their perspective on the various topics discussed: Belgium, Cameroon, France, Ghana, Kenya, Lesotho, Nigeria, Seychelles, South Africa, Togo, Tunisia, Uganda, AfDB, ATAF, AU Commission, CREDAF, CATA, European Union, Extractive Industry Transparency Initiative, IFC, International Monetary Fund, Japan, OECD, Oxfam, Tax Justice Network – Africa, UNECA, WATAF and World Bank.

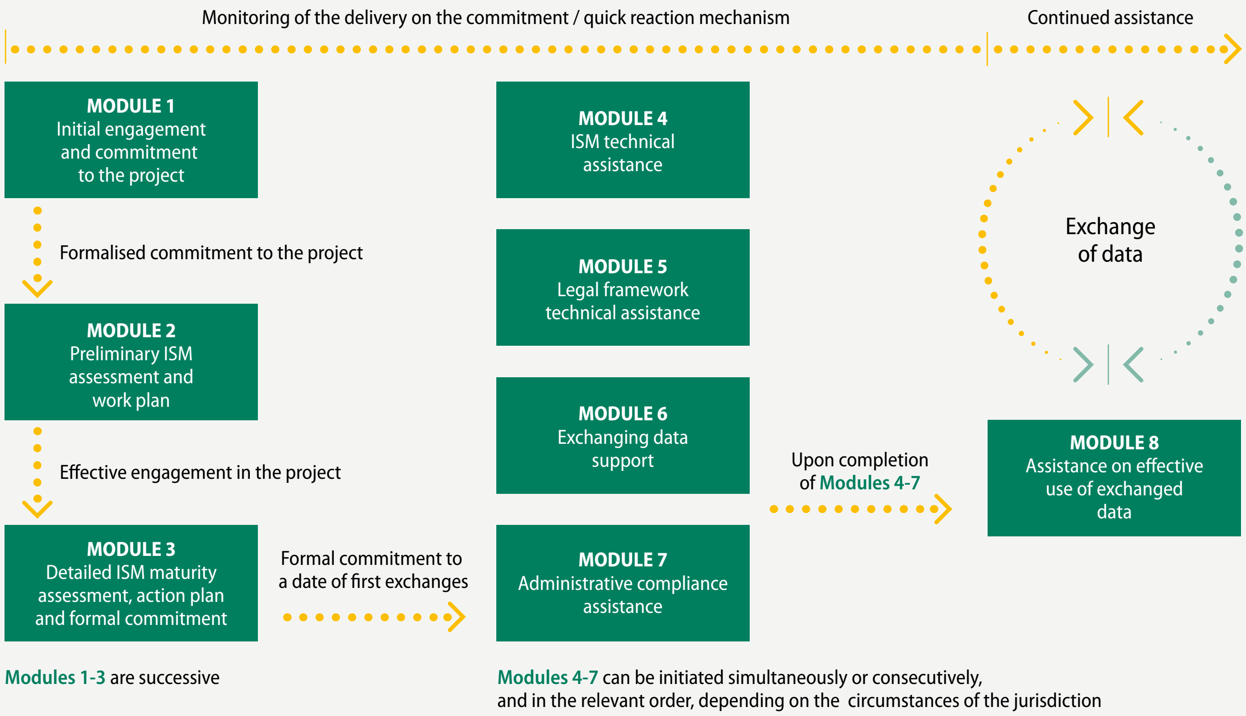
- **Improving the beneficial ownership regime**: ongoing support to strengthen beneficial ownership legal and implementation frameworks was delivered to 16 African countries. As a result, Rwanda, Uganda and Tanzania amended their legal frameworks for beneficial ownership and similar changes were considered by other countries. Further, the support led to actions taken by Botswana which resulted in a positive response from the Peer Review Group[9] to Botswana's request for a supplementary review[10] against the EOIR standard.

BOX 1. Implementation strategy for automatic exchange of financial account information

The Strategy is based on a modular approach that divides technical assistance programmes into several coherent and logical modules with specific targets to be achieved in order to move from one module to another. In line with the Global Forum's broader 2020 Capacity-Building Strategy, the modular approach is implemented to ensure a better allocation of resources and improved monitoring.

While modules 1 to 3 take place successively, modules 4 to 7 can be initiated simultaneously or consecutively, and in the relevant order, based on the particular circumstances of the jurisdiction. As for module 8 on assistance on effective use of exchanged data, it is considered a continued assistance.

Modular approach for the AEOI implementation



Source: OECD (2021), *Unleashing the potential of automatic exchange of information for developing countries*, https://www.oecd.org/tax/transparency/documents/aeoi-strategy-developing-countries.pdf.

9. The Peer Review Group (PRG) oversees the Global Forum's peer reviews in relation to the EOIR Standard. It consists of 30 Global Forum members and meets three to four times a year to discuss and approve the peer review reports and proposals on other matters related to the review of the EOIR Standard, which are then submitted for adoption by the Global Forum. For more information see: https://www.oecd.org/tax/transparency/who-we-are/structure/.

10. A jurisdiction which has received unsatisfactory rating in the EOIR peer review but has subsequently made significant improvements by addressing recommendations made by the Global Forum has the opportunity to have these improvements evaluated by the Global Forum and any determinations or ratings updated accordingly through a process known as a "supplementary review". More information on supplementary reviews is available in the 2016 methodology for Peer reviews and Non-Member Reviews: https://www.oecd.org/tax/transparency/documents/methodology-eoir-peer-reviews_12-2020.pdf.

- **Broadening EOI networks through the MAAC**: ongoing support and guidance was provided to 12 African countries at different steps of joining the MAAC, including the submission of the request to be invited to sign the Convention, the signing of the Convention, and the deposit of instrument of ratification. As a result, Madagascar signed the MAAC on 7 July 2022, while Angola was invited to sign it on 10 May 2022. Mauritania, Rwanda and Burkina Faso deposited their instruments of ratification on 29 April, 29 August and 13 December 2022 respectively, with the MAAC entering into force on 1 August 2022, 1 December 2022 and April 2023. Egypt started the process to join the MAAC at the end of 2022.

- **Improving the organisation of tax administrations and setting up of functioning EOI units with appropriate tools:** ongoing support and guidance was provided to seven African countries, including practical perspectives and options for strengthening the EOI infrastructure.

- **Pre-membership support** was provided to four African countries. Information on the benefits and commitments upon joining the Global Forum was shared with these countries. They were also invited to attend the 11th and the 12th Africa Initiative meetings as observers, to understand the progress made and compare their respective countries with African peers. In the margins of these events, the Global Forum Secretariat held bilateral meetings with their representatives to discuss their possible participation in the tax transparency work and offered more tailored support where needed.

- **Strengthening the legal and operational framework for AEOI:** 10 African countries were supported at different stages of the AEOI implementation, including establishing appropriate information security management frameworks (7 countries), developing enabling legal frameworks (6 countries), formulating administrative compliance strategies (3 countries), putting in place a portal for receiving information from financial institutions (2 countries) and making effective use of CRS data (1 country). As a result of the support provided, Tunisia committed to implementing the AEOI standard with first exchanges in September 2024. In addition, Ghana and Kenya's pre-exchange confidentiality and data safeguards assessments were successful, and they were cleared to undertake reciprocal exchanges. In 2022, African countries continued to benefit from the technical assistance through the modular approach (see Box 1), which has proven very effective for the implementation of AEOI. It was specifically designed to unleash the potential of AEOI for developing countries.

Developing tax officials' skills in exchange of information

Capacity building is one of the core duties of the Global Forum. It aims at supporting and enabling a rapid and effective implementation of the tax transparency standards by all members, in particular developing ones. The objective is also to ensure that all members effectively benefit from the standards to access tools to combat tax evasion and other IFFs, and raise more resources to finance their own development. Since the establishment of the Africa Initiative in 2014, the Global Forum has worked with the partners and donors to the Africa Initiative to enhance the capacities of African tax administrations in tax transparency.

Training

Various training for officials, to ensure effective use of EOI instruments to tackle IFFs and increase DRM, were organised during 2022. In total, 15 training events were held for or with the participation of 1 170 officials from African countries as indicated in Table 2.

Train the Trainer programme

Amongst its ground-breaking capacity-building initiatives designed to build sustainable EOI capacity in African tax administrations, the Global Forum Secretariat launched a "Train the Trainer" pilot programme in 2021. The one-year programme is designed to ensure that tax administrations are equipped with knowledgeable officials who can deliver quality and frequent trainings in EOI, hence increasing local ownership of EOI technical skills. The programme, which encompasses both hard and soft skills, is structured to ensure intense support by the Global Forum Secretariat, with participants being provided all necessary tools for the delivery of training sessions tailored to the context of their jurisdiction.

The pilot programme, which was attended by 34 participants from 17 African countries, proved its high productivity. Trainers from the 2021 programme

TABLE 2. **2022 capacity-building events on exchange of information for African countries**

Topic	Date
EOI for tax auditors	22 February 2022
Workshop on AEOI Common Transmission System	24 February 2022
Fundamentals in International Taxation	3 March 2022
Beneficial ownership training	17 March 2022
Role of EOI in supporting audit cases	28 April 2022
Beneficial ownership training	17-18 May 2022
Beneficial ownership training	19-20 May 2022
Setting up effective EOI Units	23-25 May 2022
AEOI implementation	23-26 May 2022
EOI for tax auditors	25 June 2022
Cross-border assistance in the recovery of tax claims	20-22 September 2022
Effective use of the MAAC	30 October - 2 November 2022
EOI as a tool to combat offshore tax evasion	22 to 24 November 2022
Information Security Management	18-21 December 2022
Beneficial Ownership	22 December 2022

Source: Table produced by the Global Forum Secretariat based on internal database.

collectively held 43 local trainings for 1 375 tax officials in the participating countries. Most importantly, the local trainings held in 2021 are already indicating a positive impact on the use of EOI by participating countries as illustrated by Kenya's experience (see Box 2).

Following the resounding success of the pilot phase in Africa, the Global Forum Secretariat expanded the Train the Trainer programme in 2022 to cover more African countries. Table 3 shows the overall results of the 2021 and 2022 programmes for Africa, while Box 3 highlights the experience of one participant to the 2022 edition of the programme.

BOX 2. **Kenya's experience with the Train the Trainer programme**

Two officials from the Kenya Revenue Authority (KRA) successfully participated in the pilot Train the Trainer programme in 2021. KRA organised the following events which allowed the two certified trainers to spread the knowledge and build the skills of their colleagues in EOI:

- two training sessions in 2021 for 162 tax officials
- three training sessions in 2022 for 118 tax officials
- one sensitisation session in 2022 for 184 tax officials.

In total, the two trainers from the KRA delivered 5 training sessions to 280 tax officials and 1 sensitisation session attended by 184 tax officials.

The impact of these training events is visible on the use of EOI in Kenya as the KRA is experiencing a significant increase in the number of EOI requests, with over 150 requests made annually since 2021, as compared to 73 requests made in 2020 and 17 requests made in 2019.

Kenya's future plans regarding further training include, but are not limited to the following:

- continue to actively engage the participants in the Train the Trainer programme to train the tax officials, especially tax auditors and investigators
- train about 100 tax officials each year
- have face-to-face training sessions with smaller groups for more interactive sessions and a deeper understanding by the trainees
- engage the Kenya School of Revenue Administration to add the EOI training as one of the units to its curriculum
- train any new officers who join the Competent Authority Office
- offer technical assistance or capacity building requested by partner jurisdictions.

Source: Kenya Revenue Authority, in OECD (2023), *New Horizons in Capacity Building for Tax Transparency: 2023 Global Forum Capacity Building Report*, https://www.oecd.org/tax/transparency/documents/2023-global-forum-capacity-building-report.pdf.

TABLE 3. **Overall results of the Train the Trainer programme in 2021 and 2022 in Africa**

	2021 cohort	2022 cohort	Total
Number of countries	17	13	29
Number of participants (trainers)	34	27	61
Female participation (%)	47%	44%	45.5%
Number of trainings proposed to be delivered	34	28	62
Number of trainings delivered	43	21	63
Number of officials trained[1]	1 375	433	1808
Female participation (%)	30%	41%	35.5%

Note: the figures on the 2021 cohort include the local trainings organised in 2021 and 2022.
[1] The figures are as of 31 December 2022.

Source: OECD (2023), *New Horizons in Capacity Building for Tax Transparency: 2023 Global Forum Capacity Building Report*, https://www.oecd.org/tax/transparency/documents/2023-global-forum-capacity-building-report.pdf.

BOX 3. **Testimony from a participant in the 2022 edition of Train the Trainer**

Mr Mamoudou Fofana, *Head of Research Division, Directorate of Research, Investigations and Support to Audit, Directorate General of Taxes, Mali*

As a former auditor of the Large Taxpayer Directorate, I had a clear idea of the importance of an exchange of information request for combating tax fraud and improving the results of tax audits. While I had previous learning experience through the e-learning modules of the Global Forum and the participation in a Last Mile seminar, attending the Train the Trainer programme has been an opportunity for me to further deepen my knowledge of exchange of information and to continue to contribute to the dissemination of this knowledge within my tax administration.

The programme allowed me to contribute to the training of 25 executives of the Mali tax administration on exchange of information on request. The training course was a breakthrough for many participants who followed with interest the different modules presented. The course also included case studies and a quiz, which were very fruitful and allowed the attendants to better understand certain theoretical aspects of the modules.

Following my participation in the programme, I have been selected to deliver training sessions on exchange of information as part of the training programme of the Directorate General of Taxes in 2023. The tax administration trusts that continued participation in the programme will contribute to the enlargement of the circle of local trainers for the perpetuation and improvement of the training activities. Finally, I plan to participate in a training session on the peer review process in order to be able to participate in future peer reviews as an assessor and therefore prepare the evaluation of Mali through the lessons learned.

Source: Directorate General of Taxes of Mali in OECD (2023), *New Horizons in Capacity Building for Tax Transparency: 2023 Global Forum Capacity Building Report*, https://www.oecd.org/tax/transparency/documents/2023-global-forum-capacity-building-report.pdf.

Women leaders in tax transparency

In 2022, the innovative programme "Women Leaders in Tax Transparency" was launched to make a decisive contribution towards a sustainable increase in female leadership in tax transparency. It promotes increased participation of female officials in leading positions of national tax administrations. The programme was attended by 22 female tax officials from 22 developing members of the Global Forum, including 8 African countries (Eswatini, Kenya, Liberia, Mauritius, Senegal, South Africa, Togo and Uganda).

The one-year programme requires participants to prepare in advance of all sessions through the reading of technical material, attending e-learning modules and preparing documents to support discussion and experience sharing. Six sessions were organised and focused on central aspects of tax transparency, such

BOX 4. Women Leaders in Tax Transparency 2022 Programme

- **February 2022**: initial meeting focused on legal aspects of the EOIR standard, with mentoring sessions opened by Ms Grace Perez-Navarro, Deputy-Director of the OECD Centre for Tax Policy and Administration, Patron of the 2022 programme, and by Ms Zayda Manatta, Head of the Global Forum Secretariat.
- **March 2022**: second meeting centred on the AEOI standard and the beneficial ownership standard with the expertise of Ms Wendy Roelandt, Advisor-General and Head of International Relations at the Federal Public Service Finance of Belgium, with the participation of Ms Maria José Garde, General Director of Taxes in the Spanish Ministry of Finances and then Chair of the Global Forum (2017-2022), and of Ms Ana Cebreiro, Senior Economist and Global Tax Program Manager at the World Bank.
- **May 2022**: third meeting focused on the practical aspects of EOIR, in particular the concept of foreseeable relevance with the expertise of Ms Miek Haller, Deputy Head of the Service for Exchange of Information, Switzerland, with the participation of Ms Rowena Bethel, International Tax Information Exchange Specialist, Bahamas and Ms Elizabeth Guerrero, former Vice Minister of Revenue of Costa Rica and former Chair of the Latin America Initiative.
- **July 2022**: fourth meeting focused on the international tax agenda, with the participation of Ms Marlene Nembhard-Parker, Deputy Commissioner General of the Jamaican Tax Administration and Co-Chair of the Base Erosion and Profit Shifting (BEPS) Inclusive Framework, and Ms Huey Min Chia-Tern, Deputy Commissioner of the Inland Revenue Authority of Singapore and then Chair of the Global Forum Peer Review Group.
- **September 2022**: fifth meeting centred on a leadership training for women, with the participation of a certified trainer.
- **October 2022**: final meeting of the 2022 pilot edition with a feedback session and the launch of the Women Leaders in Tax Transparency network.

Source: OECD (2023), *New Horizons in Capacity Building for Tax Transparency: 2023 Global Forum Capacity Building Report*, https://www.oecd.org/tax/transparency/documents/2023-global-forum-capacity-building-report.pdf.

Women leaders in tax transparency lunch meeting, 10 November 2022, Seville, Spain.

as the tax transparency standards and the broader international tax agenda, as well as leadership trainings and mentoring sessions delivered by experienced women in the tax transparency field (see Box 4). The Women Leaders in Tax Transparency network has been formed and will continue to expand in the coming years. The network, which will meet regularly, constitutes a forum to discuss the upcoming tax transparency agenda, as well as any challenge in the implementation of the EOI standards with the aim to empower women. As shown in Box 5, the programme can have a transformative effect in increasing the participation and leadership of women in tax transparency.

A network to enhance co-operation on information security management

At the 2021 Global Forum plenary meeting, the Secretariat launched an information security management (ISM) network as a platform for Global Forum members to share best practices and experiences, creating a community to improve confidentiality and data safeguards frameworks. As a platform for interaction and sharing

BOX 5. **A testimony on the Women Leaders in Tax Transparency 2022 programme: interview with Ms Felicia Powson – Liberia**

Why did you decide to participate in the 2022 Women Leaders in Tax Transparency Programme?

My decision to participate in the 2022 Women Leaders in Tax Transparency Program (WLITT) was based on the main objectives outlined in the programme: addressing gender inequality, ensuring diverse decision-making across every sphere of taxation, promoting female leadership in tax transparency, especially in our EOI Program. And creating a female network to ensure further co-operation and experience sharing in tax administration.

Working in a male-dominated environment, where the views of women are usually overlooked, I am faced with challenges of not being considered in decision making. This led me to take advantage of the opportunity to attend the series of trainings, seminars and courses to enhance my capacities and address the challenges outlined herein.

What has been your experience and what was the impact of participating in the programme?

My experience as a participant, throughout the 9 months program was an exceptional learning experience. Being in attendance with highly skilled and experienced women leaders with diverse disciplines from around the world was a privilege and an inspiration in expanding my career pathway.

The programme was excellently organised. In every step of the way, the organisers maintained consistency in accordance with the objectives set out in the programme. The presenters and mentors were resourceful and open in sharing their personal and professional journeys in pursuing their goals.

The organisers ensured participants studied the e-learning modules and toolkits before each session by preparing presentations tailored to each jurisdiction's position on every module learned and actively participated in every session.

The programme impacted me in the following ways:

- As a career woman, I learned to seize every opportunity to first empower myself by acquiring adequate skills and technical proficiency in improving my career development.
- I have learned to set my professional and personal improvement plans by aligning myself with experienced personalities mentoring me along the path of meeting my goals.
- Making impact wherever I find myself by speaking and finding solutions to challenges at hand.
- Lastly, I learned to build my self-confidence and take advantage of opportunities in horning my skills and voicing out my strength.

What are the next steps planned in Liberia Revenue Authority to continue to enhance women's leadership in tax transparency?

The LRA is initiating a continuous peer-gathering programme that will create the platform twice a year for females to exchange ideas and experience among themselves, so as to attain the skills required to make quality decisions in the workspace.

Source: Liberia Revenue Authority

of experiences between jurisdictions, including both developed and developing members, the network plays an important role in the development of confidentiality and data safeguards across all Global Forum members.

The ISM network currently gathers more than 200 nominated representatives from 65 jurisdictions – including 9 African members. In addition, the "ISM network Live Hour" was launched to discuss key ISM topics proposed by the network's experts on a quarterly basis. Four sessions have so far been conducted and attended by 10 participants from African members. Topics discussed included vulnerability management, insider threat, incident management, investigation and breach reporting, and secure use of personal mobile devices.

CROSS-BORDER ASSISTANCE IN THE RECOVERY OF TAX CLAIMS

A working group on cross-border assistance in the recovery of tax claims in Africa (Working Group) was created in March 2021 within the framework of the Africa Initiative. The Working Group conducted a fact-finding exercise to understand the current position of African countries on this form of cross-border assistance and to ascertain the conditions necessary for its effective use. The result of this fact-finding exercise was summarised in a note, approved at the 10th Africa Initiative meeting in November 2021.[11] The note highlighted the need for building capacities in Africa in order to unlock the potential of this form of administrative co-operation for DRM.

In 2022, capacity-building activities have been carried out to help African countries build their frameworks for an effective cross-border assistance in recovery of tax claims. This included:

- Two meetings of the Working Group held in April and in October 2022, with a focus on the assessment of domestic tax debt management maturity using the Tax Debt Management Maturity Model[12] and the discussion of the outline of a guidance tool on cross-border assistance in recovery of tax claims.
- A three-day training in September 2022, held in Tunis, Tunisia, under the technical assistance programme in tax matters for Tunisia, funded by the EU and attended by 31 Tunisian officials. The training raised awareness on the challenges and opportunities of the cross-border assistance in recovery of tax claims as a tool to support DRM. Following this, a joint ATAF and Global Forum regional workshop on this form of administrative assistance for African countries was planned to take place in 2023.
- The work on a toolkit on cross-border assistance in recovery of tax claims was launched. The toolkit is intended to assist interested Global Forum members in the implementation of the related function within their administrations. The launch of the toolkit is planned for 2023 and it will support the future technical assistance work in this area.

Feedback from the survey for the TTiA 2023 report demonstrates continued interest in this form of administrative assistance. In 2022, five African countries sent eight requests for cross-border assistance in the recovery of tax claims. In the same year, three African countries received nine requests to provide assistance in tax recovery.

AFRICAN COUNTRIES' ACTIVE CONTRIBUTIONS TO GLOBAL FORUM WORK AND CAPACITY-BUILDING ACTIVITIES

The capacity-building activities undertaken over the years have resulted into more experience and knowledge on EOI acquired by African countries. This in turn has led to increased participation of African countries in the global tax transparency work. Their participation brings the technical expertise and perspective of African countries to the discussions and decisions of the Global Forum. African countries contribute to all Global Forum's subsidiary bodies[13] and provide technical experts for peer reviews and capacity-building activities (see Table 4).

11. A summary of the note can be found at this link: https://www.oecd.org/tax/transparency/documents/cross-border-assistance-recovery-of-tax-claims-african-countries.pdf.

12. OECD (2019), *Tax Debt Management Maturity Model, OECD Tax Administration Maturity Model Series*, OECD, Paris. www.oecd.org/tax/forum-on-tax-administration/publications-and-products/tax-debt-management-maturity-model.htm.

13. Steering Group, the Peer Review Group (PRG) and the Automatic Exchange of Information Peer Review Group (APRG). More information on the work and composition of these bodies is available at https://www.oecd.org/tax/transparency/who-we-are/structure/.

TABLE 4. **Participation of African countries in Global Forum's bodies and capacity-building activities in 2022**

Steering Group	The Steering Group is made up of 20 members. It prepares and guides the future work of the Global Forum.	**2 African countries are members of the Steering Group and one of them also holds the position of Vice-Chair:** *Kenya and South Africa.*
Peer Review Group for Exchange of Information on Request (PRG)	The Peer Review Group (PRG) is made up of 30 members and oversees the Global Forum's peer reviews in relation to the EOIR standard.	**2 African countries are members of the PRG:** *Kenya and Uganda.*
Automatic Exchange of Information Peer Review Group (APRG)	The APRG is made up of 30 members and oversees the work on peer reviews against the AEOI standard.	**3 African countries are members of the APRG:** *Ghana, Mauritius and South Africa.*
Automatic Exchange of Information Peer Review Group (APRG+)	The APRG+ is an extended formation of the APRG which oversees the peer reviews on confidentiality and data safeguards.	**4 African countries are members of the APRG+:** *Ghana, Mauritius, South Africa and Uganda.*
Assessors on EOIR	The EOIR assessors are responsible for conducting the peer reviews of jurisdictions against the EOIR standard. All members are invited to provide assessors.	**13 African countries provided EOIR assessors:** *Burkina Faso, Cameroon, Gabon, Ghana, Kenya, Liberia, Mauritius, Morocco, Nigeria, Senegal, South Africa, Togo, and Uganda.*
Assessors on confidentiality	The assessors on confidentiality are responsible for conducting the assessments on confidentiality and data safeguards.	**4 African countries provided assessors for the confidentiality peer reviews:** *Kenya, Lesotho, Mauritius and South Africa.*
Experts in capacity-building activities	Experts from Global Forum members participate to capacity-building activities carried out, providing expertise and sharing experience.	**2 African countries shared their expertise and experience in capacity-building activities:** *Cameroon and Tunisia.*
Task Force on Risks	The Task Force on Risks was established to identify new or emerging issues/risks to the effective implementation of the standards on transparency and exchange of information for tax purposes.	**2 African countries participated in the work of the Task Force on Risk:** *Kenya and Uganda.*

Note: This table reflects the participation of African countries in Global Forum's bodies and capacity-building activities as of December 2022. With effect from 1 January 2023, African countries took on new roles in the leadership of the Global Forum bodies for the period 2023 to 2025, which is not reflected in this report. For more information: https://www.oecd.org/tax/transparency/who-we-are/structure/.

Source: Table produced by the Global Forum Secretariat based on internal database.

As shown by Box 6, African countries that actively contribute to the work of the Global Forum bodies' also build their capacities in the implementation of the tax transparency standards.

PARTNERSHIPS TO SUPPORT AFRICAN COUNTRIES

In 2022, African countries continued benefitting from the support of the long-standing partners and observers of the Africa Initiative, which opened to new contributions. The different partnerships covered both region-wide initiatives and country-specific programmes, to unlock the full potential of multi-stakeholder involvement and bespoke assistance. Africa's superregional political, financial and tax-related institutions and organisations - the AU Commission, the AfDB and ATAF - continued to play a major role in supporting the Initiative. Regional and other organisations, as WATAF and CREDAF, actively contributed to the Initiative's activities. Support from the donor community, namely from France, the European Union, Norway, Switzerland and the United Kingdom was essential to develop country-specific projects. The World Bank also endorsed the African Initiative's activities and worked with the Global Forum Secretariat to strengthen the collaboration in Africa.

While enhancing synergies with existing partners, new collaborations were initiated. The IFC, a member of the World Bank Group, and CATA were welcomed as partners of the Africa Initiative at the 11th Africa Initiative meeting in Nairobi, Kenya, strengthening collaboration with key international and regional institutions to promote the tax transparency agenda. CATA, Christian Aid, the the Extractive Industry Transparency

BOX 6. **Uganda's contribution to the Global Forum's work**

Q1: Uganda joined the Global Forum in 2012 and became a member of the PRG in 2017. Uganda has been a member of the PRG since then. In addition to implementing the EOIR standard, Uganda has committed to implement the AEOI standard with the first exchanges in September 2023. In this regard, Uganda became a member of the APRG+ in 2020. Uganda has been recently confirmed to take part in the 2023-2025 mandate of both the PRG and the APRG+, which represents a significant commitment of time and resources to the global tax transparency work. Why is the participation in both Global Forum's bodies and its long-standing commitment important to Uganda? What is the importance of the representation of developing countries in the distinct Global Forum bodies?

Uganda's continuous and active involvement in tax transparency including membership in the Global Forum Peer Review Group (PRG) and AEOI Peer Review Group (APRG+) was by design. In 2014, a series of conscious decisions were made, at a strategic level, that would later shape the practice of EOI in Uganda, i.e. a phased adoption of the standards, delegation of the role of the Competent Authority and creation of the EOI unit, the level of strategic representation and engagement, consensus across government on the long-term objectives and key milestones among others. These key steps were formally documented in an EOI strategy in 2019.

Therefore, Uganda's long-term commitment to the peer review process through strategic representation at the PRG and APRG+ is first and foremost reflective of the country's commitment to respect of international law and treaty obligations arising from participation in international and regional organisations. The peer reviews also serve to safeguard the interests of all parties, Uganda included, by promoting adherence to the agreed standards including timely and reliable information sharing to support DRM efforts and the National Development Agenda.

Secondly, the experience from the PRG enables developing countries build a critical mass of highly skilled and professional human resource that can ably interpret, evaluate and apply the tax transparency standards in the everchanging universe of taxation and globalisation. The methodology and terms of references for conducting peer reviews have been reviewed through a comprehensive and consultative process spearheaded by the PRG. Therefore, Uganda as a member of the PRG brings the developing country context to the discussions for a more inclusive and fit-for-purpose peer review process.

Lastly, Uganda prides itself in being at the forefront of championing the regional participation in tax transparency and EOI as a strategic response to the challenge of tax evasion and IFFs out of Africa. The peer reviews occasionally bring to bear legal regimes and practices designed to undermine the progress made in tax transparency and information sharing. Therefore, Uganda's participation in the peer review process is an affirmation of the trust and confidence the country as a whole has in the credibility and soundness of the framework for transparency and information exchange among members regardless of their geographical location and size of economy.

In summary, between 2014 and 2017, Uganda progressed from a country without a dedicated EOI unit to becoming an active member of the PRG and APRG+ and a powerhouse on the continent. As a nation, we are proud to contribute to the growing list of African countries that have served and continue to contribute to this important work.

Looking ahead, the combined efforts of the PRG and APRG+ hold significant potential for advancing global tax transparency. The future work of these bodies will involve ongoing assessments, peer reviews, and the refinement of standards to address emerging challenges and changing international tax landscapes. Collaboration among member countries, including Uganda, will continue to shape international tax policies and ensure that the benefits of tax transparency are realized at both the national and global levels.

Q2: In addition to its membership of the PRG and APRG+ and hosting Global Forum events, Uganda has provided assessors for EOIR peer reviews of other Global Forum members over the years. Why is it important for Uganda to contribute to the EOIR review process?

It is important for Uganda to contribute to the peer review process for several reasons:

First and foremost, the peer review process provides a proof of concept that EOI works. The review process evaluates the effectiveness of countries' mechanisms for exchanging

Continued...

Box 6 continued...

information, which is essential for detecting and deterring cross-border tax evasion. Uganda's participation confirms its commitment to promoting international collaboration and sustaining a network of information exchange.

Secondly, it provides a platform to sharing best practices and skills: Assessors, working with the Global Forum apply their knowledge and skills in context of correctly diagnosing blockades to efficient functioning of EOI from a practical perspective. This results in recommendations that speak to the reality of the assessed jurisdiction and overall advancement on the transparency agenda. Overall, participation in this process positively impacts the efficacy and effectiveness of tax transparency measures around the world as a result of the contribution of the assessors and implementation of recommendations by the assessed Jurisdictions. These lessons are replicated back home.

- Strengthening systems. Uganda has the opportunity to benchmark on more advanced mechanisms for exchanging information (both upon request and automatically). Uganda has identified areas for development and improvement in its own systems with the assistance of the evaluation and recommendations obtained through the review process. This improves Uganda's tax transparency structure and guarantees that it complies with global norms.
- Building influence: by actively participating in the EOIR review procedure, Uganda strengthens its standing as a nation that is committed to and cooperative in the global battle against tax evasion. This may inspire more confidence in other nations, international organisations, and investors. Furthermore, Uganda's involvement in the review process strengthens its voice and influence in establishing worldwide tax transparency norms.
- Promoting global tax fairness: EOI is a fundamental component of international efforts to ensure that all taxpayers meet their tax obligations. Uganda's engagement in the review process reflects the country's support for the global principles of transparency, accountability, and fair tax practices that EOI promotes.
- Capacity building: through the peer review process, Ugandan representatives gain a deeper understanding of international tax transparency standards, guidelines, and best practices. They become aware of the requirements and expectations for effective implementation. This knowledge enhances their capacity to develop and refine their tax transparency frameworks.

In summary, Uganda's contribution to the peer review process is essential for enhancing international cooperation, sharing best practices, strengthening its own systems, building influence, promoting global tax fairness and capacity building. By actively participating in the review process, Uganda plays a crucial role in advancing tax transparency efforts worldwide and supporting the global fight against tax evasion.

Source: Uganda Revenue Authority.

Initiative (EITI) International Secretariat, IFC, Oxfam and the United Nations Economic Commission for Africa (UNECA) were also in attendance for the first time, demonstrating the wide-spread support to the tax transparency agenda in Africa. In addition, Belgium and Japan supported the work of the Africa Initiative in 2022. ECOWAS, the International Monetary Fund (IMF), the OECD, Tax Justice Network Africa, and the WAEMU all participated in the 11th Africa Initiative meeting in 2022. Partner's participation strongly underscores their commitment to advancing the tax transparency agenda in Africa, contribute to curb IFFs and improve DRM. Both the 11th and 12th Africa Initiative meetings and the Global Forum Plenary were important occasions where partners could exchange their views and contributed to strengthening their engagements in the Initiative.

Table 5 summarises the collaboration with partners in 2022.

11th meeting of the Africa Initiative, 14-16 June 2022, Nairobi, Kenya.

TABLE 5. **Flagship initiatives by Africa Initiative's partner**

Partner	Initiative	Impact
AU Commission	TTiA report co-authorship	Continental
ATAF	TTiA report co-authorship	Continental
	Joint capacity-building activities with GF in transparency and EOI for African countries.	Country specific
AfDB	Pilot project to support Senegal in establishing its legal and institutional framework for AEOI and improve the use of EOIR in its tax compliance activities	Country specific
	Public Financial Management Capacity Development programme that comprises six critical areas including DRM and Accountability, Transparency and Curbing of Corruption and IFFs	Continental
CREDAF	Workshop on the establishment and operation of effective EOI units	Regional
European Union	Support to Global Forum technical assistance programme	Continental
	West Africa Tax Transition Support Programme	Regional
	Capacity building activities in Egypt and Tunisia	Country specific
France	Support to Global Forum technical assistance programme	Continental
	AEOI implementation pilot project in Morocco	Country specific
Norway	Support to Global Forum technical assistance programme	Continental
Switzerland	Support to Global Forum technical assistance programme	Continental
	AEOI project technical support to Tunisia	Country specific
United Kingdom	Support to Global Forum technical assistance programme	Continental
	Implementation of AEOI for Kenya and Uganda as well as in strengthening Egypt's EOI processes and legal framework	Country specific
WATAF	Session of the Tax Audit Network on administrative co-operation tools to support the audit of cross border transactions	Regional
	High-level Policy Dialogue	Regional
World Bank	Support to Madagascar on joining the MAAC	Country specific

Source: Table produced by the Global Forum Secretariat based on internal database.

3

African countries' progress in implementing the tax transparency standards

African countries have continued strengthening their EOI infrastructures by broadening their EOI networks and enhancing their legal and regulatory frameworks, as well as the organisation of the EOI function. Despite the progress made, more work is needed on the implementation of beneficial ownership transparency and the AEOI standard.

2022 KEY TAKE-AWAYS

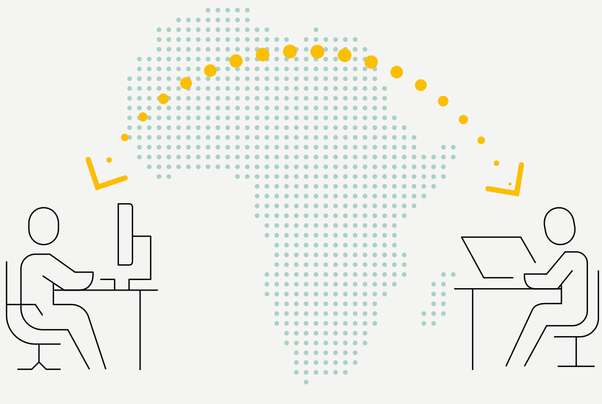
Strengthening infrastructures for exchange of information on the continent

Broadening exchange of information networks

- Africa's EOI network has reached over 3 070 EOI relationships, of which 66% (2 039) were created by the MAAC only, 13% (409) are bilateral/regional relationships complemented by the MAAC and 20% (629) are bilateral/regional relationships only.
- Two more African countries brought the MAAC into force, bringing the total of African countries with the MAAC in force to 18 (33% of all African countries).
- Intra-African EOI relationships amount to 667, compared to 2 410 EOI relationships with jurisdictions outside of Africa. 46% (606) of the intra-African EOI relationships in force are created under the MAAC, compared to 89% (2 142) for EOI relationships with jurisdictions outside Africa.

Enhancing the organisation of the exchange of information function

- 33 African countries have delegated the Competent Authority function to the appropriate level within the tax administration, 28 have established EOI units, 24 have in place an EOI manual and 23 use a tracking tool to monitor the impact of EOI.
- The number of officials assigned to EOI has grown by 42% since 2021, reaching 175 officials in 2022. The number of training events held in 2022 almost doubled and the number of staff trained increased by 26%, totaling 1 613 tax officials and 73 internal training events, mainly thanks to the Train the Trainer programme in which African countries have been participating since its launch in 2021.



Implementation of the standard for exchange of information on request

Peer reviews of the exchange of information on request standard

- Since the beginning of the second round of EOIR peer reviews in 2016, nine African countries have been fully reviewed by the Global Forum (legal and regulatory framework and implementation in practice) and five have been subjected to a review of the legal and regulatory framework only (Phase 1 review).
- Of the nine African countries fully reviewed, one is overall "Compliant", four are overall "Largely Compliant" and the remaining four are overall "Partially Compliant".

Transparency of beneficial ownership in Africa

- No African countries is rated "Compliant" with respect to ownership & identity information, which is largely influenced by the beneficial ownership transparency (Element A.1). Three African countries are rated "Largely Compliant", while the remaining six are rated "Partially Compliant".

Implementation of the standard of automatic exchange of information on financial accounts

Increasing participation of Africa in AEOI

- Five African countries are exchanging information automatically on a reciprocal basis. Five more African countries are committed to implementing AEOI within the next three years.

Broad network of exchange partners under the CRS Multilateral Competent Authority Agreement (CRS-MCAA)

- The five African countries exchanging information automatically have a total of 374 AEOI bilateral relationships activated.

Outcomes of the AEOI peer reviews (legal frameworks and effectiveness in practice) for African countries

- The legal and regulatory framework of three out of the five African countries exchanging CRS data were considered as "In Place but Needs Improvement". Improvements are also needed in the effective implementation of AEOI as the effectiveness reviews rated one country as "On Track", one as "Partially Compliant", and one as "Non-Compliant", while the remaining two are yet to be reviewed.

STRENGTHENING INFRASTRUCTURES FOR EXCHANGE OF INFORMATION ON THE CONTINENT

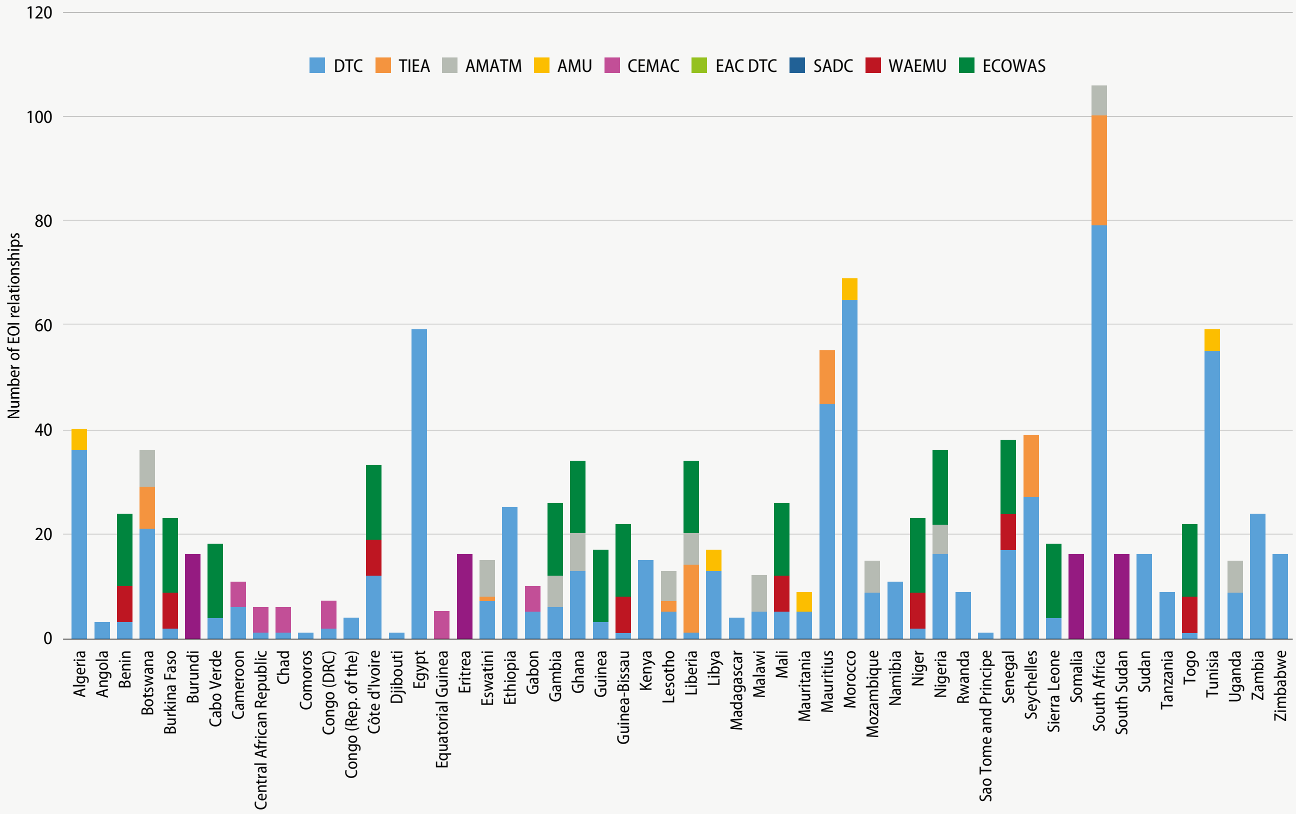
A jurisdiction cannot effectively implement and benefit from international tax co-operation without putting in place a minimum level of EOI infrastructure. At the base is a broad network of EOI agreements that provides a legal gateway for co-operation with other jurisdictions and an enabling domestic legal and regulatory framework. This should be complemented by appropriate organisational structures and processes. This includes a delegation of the Competent Authority powers to the appropriate level within the tax administration, establishing a well-resourced EOI unit to handle inbound and outbound requests and other type of EOI data, such as data received spontaneously or automatically, a process manual that documents and guides tax administration officials involved in the EOI function and a mechanism for tracking requests

Broadening exchange of information networks

A legal instrument in force between two or more jurisdictions provides the basis for international tax co-operation. A wide network of such legal instruments provides a country with the legal gateway for co-operation with a large number of jurisdictions. Broadening the network of African countries EOI relationships is therefore part of the core stage of the 2021-2023 Africa Initiative mandate.

As of 31 December 2022, African countries have entered into 1 636 bilateral l EOI relationships based on bilateral or regional agreements, of which 1 136 are in force (see Figure 3). These EOI relationships take the form of double taxation conventions (DTCs), tax information exchange

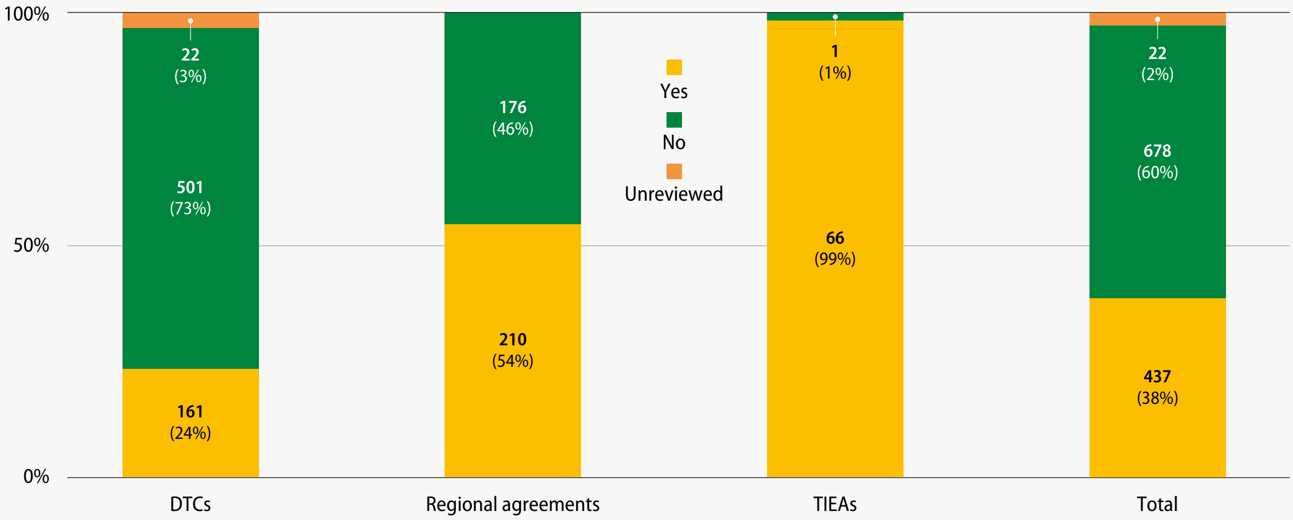
FIGURE 3. **Bilateral and regional instruments for exchange of information in force in African countries** (by type)



Note: Bilateral agreements include double tax conventions (DTCs) and tax information exchange agreements (TIEAs). Regional agreements include all agreements listed in Footnote 1 on page 43.

Source: Analysis done by the Global Forum Secretariat based on publicly available information.

FIGURE 4. **Percentage of African countries' instruments for exchange of information meeting the standard** (by type, MAAC not included)



Note: The labels show the number of EOI instruments that meet the EOI standard based on exploitable data, and the corresponding percentage in brackets. 22 DTCs are not available in English or French, and no analysis could be conducted on them, hence they are referred to as unreviewed.

Source: Analysis done by the Global Forum Secretariat based on publicly available information.

agreements (TIEAs) and regional agreements[1] that provide a basis for international co-operation in tax matters.

While countries have the option to negotiate and conclude bilateral or regional agreements for EOI, it can be a resource-intensive and time-consuming exercise. In addition, some of the bilateral and regional EOI Agreements may not be in line with the model provision in Article 26 of the OECD Model Tax Convention on Income and Capital (OECD Model Tax Convention)[2] and the United Nations Model Double Tax Convention between Developed and Developing Countries (UN Model Tax Convention).[3] Indeed, 60% of the bilateral and regional agreements concluded by African countries for international co-operation in tax matters do not allow for EOI to the full extent provided in the OECD and UN models provisions (see Figure 4).

Unlike bilateral and regional agreements, multilateral EOI instruments assist jurisdictions to rapidly expand their EOI networks through a single signature, instead of negotiating EOI agreements with each jurisdiction. Of all multilateral instruments, the MAAC is the widest-reaching EOI agreement with already 147 participating jurisdictions[4], out of which 137 had it in force as of December 2022. In addition, the MAAC is in line with the EOIR standard and further provides for AEOI and other forms of administrative co-operation.

Since 2014, the Global Forum Secretariat, under the umbrella of the Africa Initiative, has provided technical support to its African members to expand their administrative co-operation frameworks rapidly by joining the MAAC, including support in the signing and ratification process (see Box 7). In 2022, these efforts

1. These include the ATAF Agreement on Mutual Administrative Assistance in Tax Matters (the AMATM); the Convention for the Avoidance of Double Taxation and the Establishment of Rules for Mutual Assistance in respect of Taxes on Income between the States of the Arab Maghreb Union (AMU); the Southern Africa Development Community's Agreement on Mutual Assistance in Tax Matters (SADC Agreement); the Economic Community of West African States (ECOWAS) Supplementary Act 5/12/18 Adopting Community Rules for the Elimination of the Double Taxation with Respect to Taxes on Income, Capital and Inheritance and the Prevention of Tax Evasion and Avoidance within the ECOWAS Member States (ECOWAS Supplementary Act 5/12/18); the Central African Economic and Monetary Community Agreement Regulation n°07/19 of 7 April 2019, revising Act n°5/66 of 13 December 1966 on the avoidance of double taxation; the East African Community Double Taxation Convention (EAC DTC); and the West Africa Economic and Monetary Union (WAEMU) Regulation No. 08/2008 adopting rules for the avoidance of double taxation within WAEMU and rules on assistance in tax matters.

2. OECD (2017), *Model Tax Convention on Income and on Capital: Condensed Version 2017*, OECD Publishing, Paris, https://doi.org/10.1787/mtc_cond-2017-en.

3. UN (2017), *Model Tax Convention between developed and Developing Countries,* UN, New York, https://www.un.org/esa/ffd/wp-content/uploads/2018/05/MDT_2017.pdf.

4. As of June 2023, there are 147 participating jurisdictions, including Viet Nam, which is the most recent signatory.

culminated in one more country (Madagascar) signing the MAAC, while three others (Burkina Faso, Mauritania and Rwanda) completed their domestic ratification processes and deposited their instruments of ratification.

As of December 2022, African countries had 3 077 EOI relationships in force, of which 2 039 are built on the MAAC, 409 are bilateral/regional relationships complemented by the MAAC and 629 are bilateral/regional relationships that do not overlap with the MAAC (see Figure 5). Figure 6 shows that, out of the 3 077 EOI relationships, the MAAC covers a total of 2 448 EOI relationships, complementing 409 bilateral/regional relationships as indicated above. In addition, 18 African countries had ratified and brought the MAAC into force, compared to 16 in 2021 (see Table 6), with three additional African countries being signatories to the MAAC (Gabon, Madagascar and Togo). Even though the signature of tax conventions constitutes an important step towards increased tax transparency, the completion of the domestic ratification processes remains indispensable to fully benefit from EOI and other forms of international tax co-operation. All signatories are strongly encouraged to conclude their domestic ratification processes and deposit the instruments of ratification for the MAAC to come into effect and provide a legal gateway for international co-operation in tax matters.

Only 23 African countries, all members of the Global Forum and the Africa Initiative, have signed the MAAC, which means more than half of African countries are not yet in a position to take advantage of the opportunities presented by this international instrument, which provides for extensive forms of mutual assistance in tax matters.

All the African countries with a wide EOI network are members of the Global Forum and the Africa Initiative and are signatory to the MAAC (see Figure 5). In general, African countries which are not member of the Africa Initiative tend to have a narrow network of EOI relationships. This is because upon joining the Global Forum and participating in the Africa Initiative, countries understand the importance of international agreements for an effective EOI and receive support to join the MAAC. Figure 6 shows the evolution of the number of EOI relationships created by African countries since 2014 and the impact of the MAAC on their EOI networks.

TABLE 6. **Participation of African countries in the Convention on Mutual Administrative Assistance in Tax Matters, as on 31 December 2022**

Country	Status
Angola	Invitation to sign the MAAC (2021)
Benin	Signed (2019)
Botswana	In force (2021)
Burkina Faso	Deposit of instrument of ratification (2022)
Cabo Verde	In force (2020)
Cameroon	In force (2015)
Eswatini	In force (2021)
Gabon	Signed (2014)
Ghana	In force (2013)
Kenya	In force (2020)
Liberia	In force (2021)
Madagascar	Signed (2022)
Mauritania	In force (2022)
Mauritius	In force (2015)
Namibia	In force (2021)
Morocco	In force (2019)
Nigeria	In force (2015)
Rwanda	In force (2022)
Senegal	In force (2016)
Seychelles	In force (2015)
South Africa	In force (2014)
Togo	Signed (2020)
Tunisia	In force (2014)
Uganda	In force (2016)

Note: Burkina Faso deposited its instrument of ratification on 13 December 2022 and the MAAC came into force on 1 April 2023; Benin deposited its instrument of ratification on 24 January 2023, and the MAAC came into force on 1 May 2023

Source: Jurisdictions participating in the MAAC – https://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf.

BOX 7. Rwanda and Madagascar: Participation in the Convention on Mutual Administrative Assistance in Tax Matters

Rwanda

Rwanda joined the Global Forum in December 2017. At that time, Rwanda had signed only eight bilateral DTCs and the East African Community DTC which covered five countries. This limited EOI network restricted Rwanda's ability to request information to support tax audits or investigations with a cross-border element to a few countries.

With the support of the Global Forum Secretariat through the new member induction programme, which started in 2018, Rwanda signed the MAAC in August 2021.

Rwanda swiftly completed its domestic ratification procedures and deposited the instrument of ratification in August 2022. This was possible due to the collaboration of the various stakeholders within the Government of Rwanda who had been informed of the implications of joining the Global Forum as well as the expectations placed upon Rwanda. This included the need to have a wide network of EOI bilateral relationships that could enable Rwanda to exchange information with as many jurisdictions as possible. The importance of the MAAC as legal gateway for rapidly increasing Rwanda's EOI network without engaging in costly and time-consuming bilateral discussions and negotiations with other jurisdictions had also been highlighted.

Consequently, the MAAC entered into force in Rwanda in December 2022, enabling Rwanda to have an EOI network with already 146 other jurisdictions of which 137 had it in force as of December 2022. Without the MAAC, Rwanda would have had only 13 EOI bilateral relationships in force.

As a large EOI network in line with the international standards is one of the building blocks for the implementation of the AEOI standard, Rwanda has leveraged joining the MAAC to commit to implementing the AEOI standard with first exchanges in September 2025.

Source: Rwanda Revenue Authority.

Madagascar

In 2022, a very important step was taken by Madagascar after it joined the Global Forum in 2017: Ms Rindra Hasimbelo Rabarinirinarison, Minister of Economy and Finance of Madagascar, signed the MAAC on 7 July 2022. This important milestone was achieved with the support of the Global Forum Secretariat, which provided technical assistance, in particular with regard to confidentiality, and the World Bank.

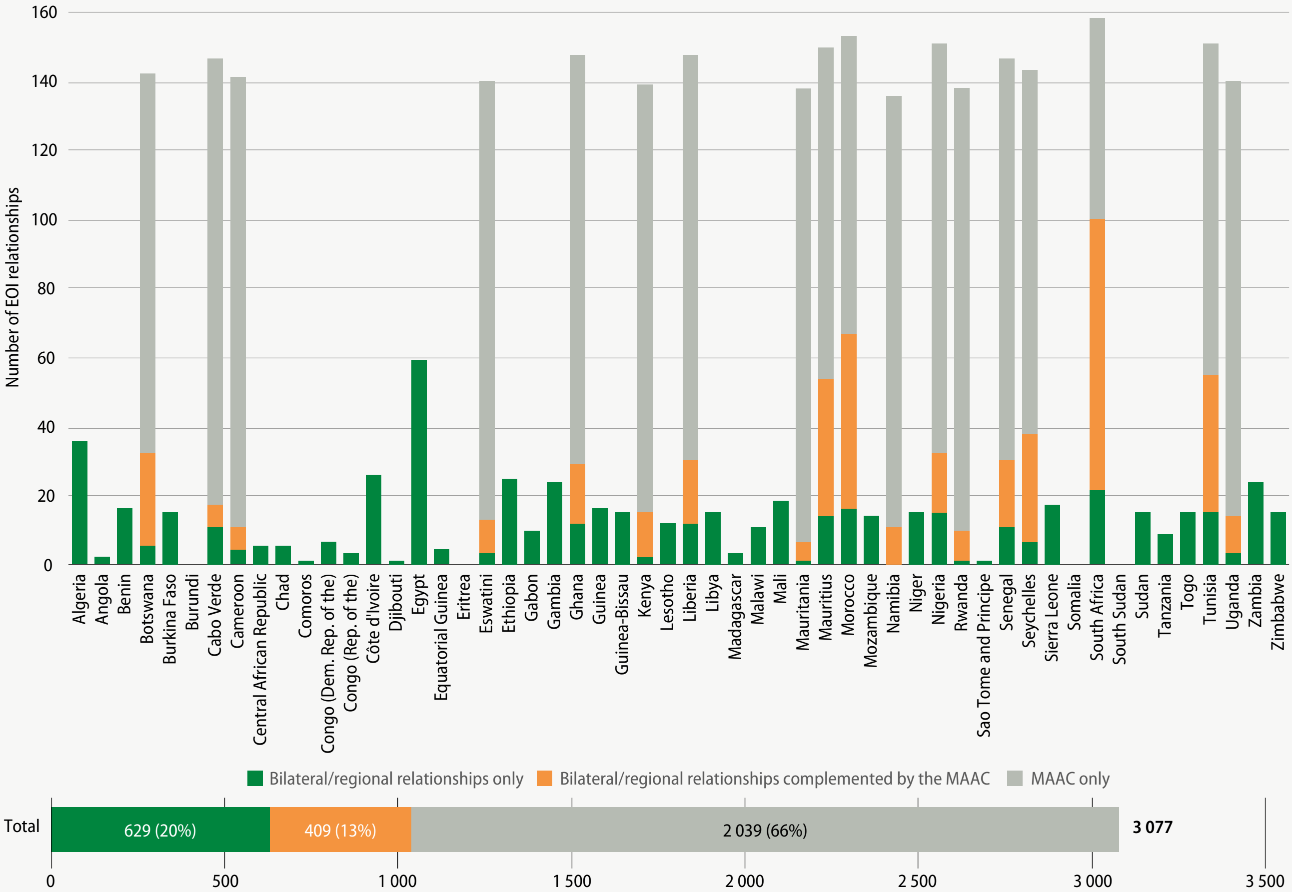
Signing the MAAC can bring several advantages to Madagascar, including:

- Combatting tax evasion and avoidance to increase DRM and the fairness of the tax system: the implementation of the MAAC will enable Madagascar to access ownership, accounting and banking information held abroad. This can help the country ascertain the position of its taxpayers' cross-border transactions and affairs.
- Increased transparency: the MAAC requires signatories to exchange information in tax matters. This increased transparency can help Madagascar identify areas of non-compliance, improve tax administration and reduce opportunities for tax evasion.
- Attracting foreign investment: international investors are often concerned about the transparency and predictability of a country's tax system. By signing the MAAC, Madagascar can demonstrate its commitment to international tax standards, which can increase investor confidence and promote foreign investment.

Overall, the MAAC can bring significant benefits to Madagascar, including increased revenue, improved tax administration, and a more attractive investment climate. To that end, after the signing in 2022, the next step is now for Madagascar to ratify the MAAC and to deposit the instrument of ratification, therefore ensure it entry into force.

Source: Directorate General of Taxation of Madagascar.

FIGURE 5. **African countries' exchange of information relationships in force**



Note: This figure only takes into account the agreements which are in force.

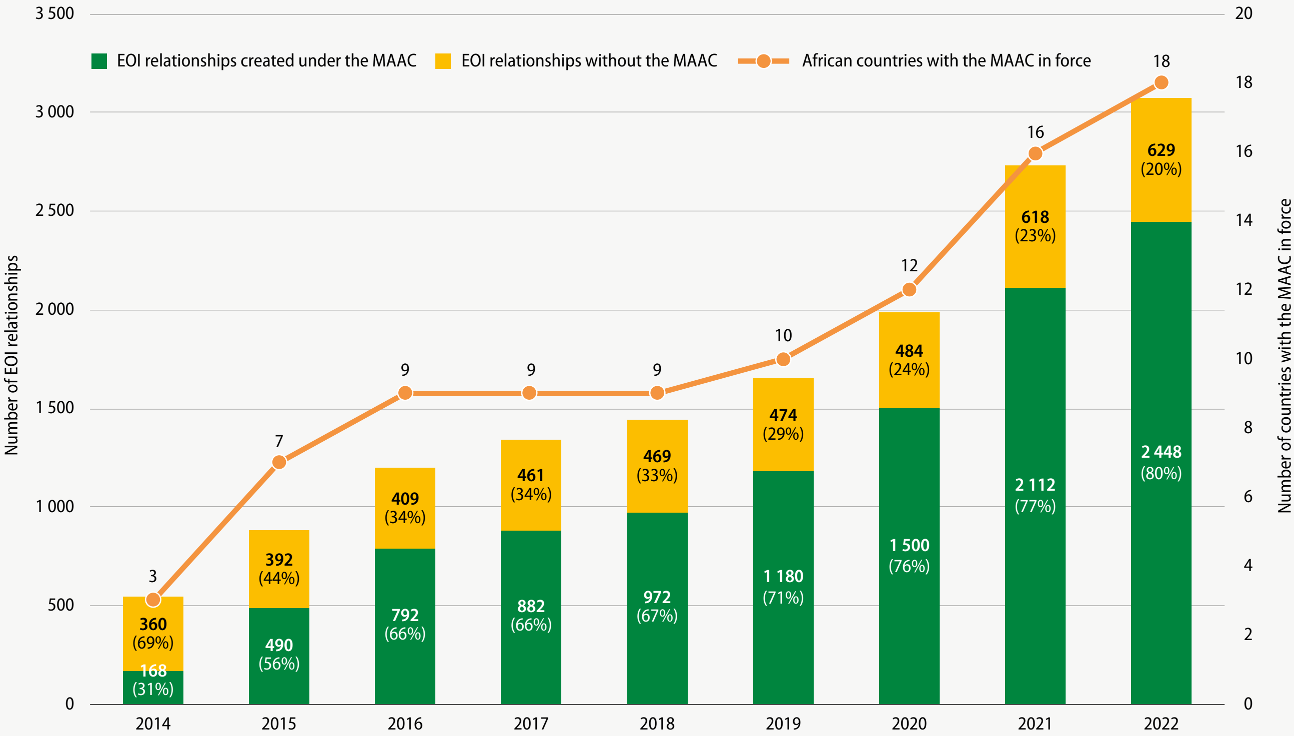
Source: Analysis done by the Global Forum Secretariat based on publicly available information.

While the EOI relationships of African countries continue to expand, a majority of these relationships are with countries outside the continent and the EOI relationships between African countries remain limited (see Figure 7).

- African countries have 667 EOI relationships amongst themselves (intra-African relationships) and have 2 410 EOI relationships with jurisdictions outside of Africa.
- Out of the 667 intra-African EOI relationships, 46% (306) are EOI relationships created without the MAAC, and 54% (361) are EOI relationships established by the MAAC.
- Out of the 2 410 extra-African EOI relationships, 11% (268) are EOI relationships created without the MAAC, and 89% (2 142) are EOI relationships created under the MAAC

The low number of EOI relationships between African jurisdictions may limit the ability of African countries to exchange information with one another. This may have negative implications for the implementation of the Africa Free Continental Trade Area (AfCFTA) Agreement, which entered into force in 2019 and is aimed at creating the world's largest free trade area bringing together all African countries and the eight Regional Economic Communities. As part of its mandate, the AfCFTAis aimed at eliminating trade barriers and boosting intra-Africa trade. While it offers new opportunities to increase the tax base in African countries, as a consequence of increased trade, the implementation of the AfCFTA may also create opportunities for intra-Africa cross-border tax evasion. It is therefore imperative

FIGURE 6. **Number of exchange of information relationships in force established by African countries since 2014** (worldwide)

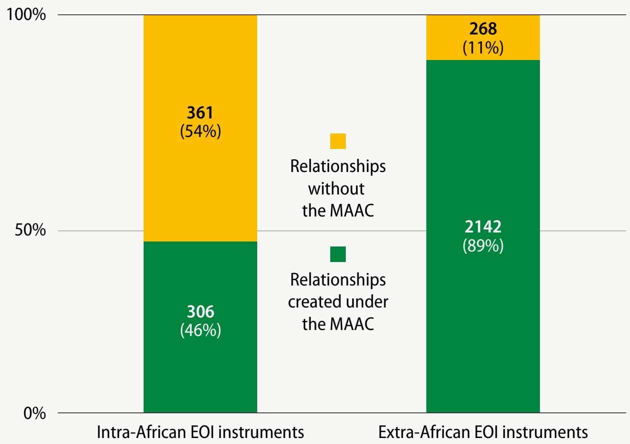


Source: Analysis done by the Global Forum Secretariat based on publicly available information.

for African countries to have legal gateways for exchanging information with one another to effectively enforce their respective domestic tax laws to combat any cross-border tax evasion that may arise as intra-Africa trade increases.

One possibility or rapidly expanding intra-African EOI relationships is by joining multilateral agreements such as the MAAC and the African regional EOI agreements. As noted above, of all multilateral EOI agreements, the MAAC has the broadest coverage as it counts 146 participating jurisdictions in December 2022[5], of which 137 had it in force as of December 2022. Therefore, joining the MAAC would enable African countries to expand their EOI relationships with each other and with other countries outside Africa. In addition, the MAAC is in line with the standard and provides for other forms of administrative assistance.[6]

FIGURE 7. **Intra-African and non-African exchange of information relationships (as of December 2022)**



Source: Analysis done by the Global Forum Secretariat based on publicly available information.

5. As of June 2023, there are 147 participating jurisdictions, including Viet Nam, which is the most recent signatory.

6. For more about the MAAC, see OECD (2020), *A Toolkit for Becoming a party to the Convention on Mutual Administrative Assistance in Tax Matters*, https://www.oecd.org/tax/transparency/documents/Convention-on-Mutual-Administrative-Assistance-in-Tax-Matters-Toolkit-en.htm.

Enhancing the function for exchange of information in Africa

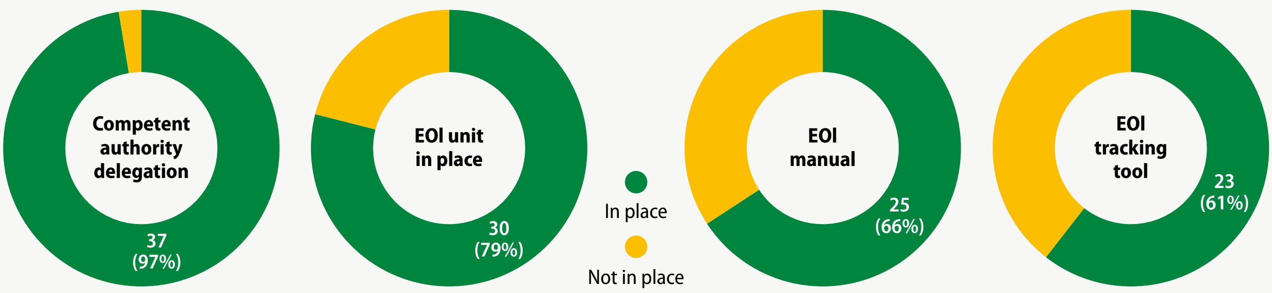
Functional EOI infrastructures are essential to meeting obligations under the international standards, including timely processing of EOI requests and providing quality responses and sending quality requests to foreign partners. A well-resourced dedicated unit is a critical component of the EOI infrastructure, as it is responsible for managing day-to-day EOI operations. It requires knowledgeable staff and working processes guided by a manual, which ensures the handling of requests in a timely manner while protecting the confidentiality of treaty exchanged information. The EOI unit should also adopt tracking tools to monitor the effectiveness and the contribution of EOI towards DRM. Moreover, the jurisdiction should ensure that the power of Competent Authority (CA) for EOI for tax purposes[7] is delegated from the Minister in charge of finance – as generally mentioned in EOI agreements – to the tax administration. Delegating the CA status and functions to the EOI unit increases operational efficiency and effectiveness in EOI processes.

Building strong and efficient EOI infrastructure is a key component of the Global Forum's capacity-building programme as it empowers members not only to comply with the tax transparency standards by providing information to their partners but, more importantly, to use this infrastructure to obtain critical information for their tax operations.

In 2022, African tax authorities continued to improve their EOI infrastructures. Indeed, 37 out of 38 African countries that responded to the survey have delegated the CA status and functions to the tax administration. However, only 30 have established a unit to manage the EOI function. Further, only 25 have an EOI manual documenting the handling of EOI requests and 23 have a tracking tool to monitor the handling of EOI requests. Figure 8 shows the EOI infrastructures of African countries as of December 2022.

Well-trained staff are crucial for managing an efficient and sustainable EOI unit. The number of officials assigned to EOI has grown rapidly since 2014, when it was reported 25 officials worked on EOI. In 2022, there were 175 officials of which 120 (69%) are fully dedicated to EOI, while 55 (31%) also handle other duties in addition to their EOI responsibilities (mostly in countries that have indicated a low volume of EOI activity). African countries have also intensified efforts to train tax auditors and EOI staff, holding 73 internal training events in 2022, which facilitated knowledge and skills transfer to 1 613 tax officials. As shown by Box 8, consistent training by tax authorities can contribute to the dissemination of the potential of EOI amongst tax auditors, which can lead to a higher number of requests for information. The number of training events held almost doubled and the number of staff trained increased by 26% compared to 2021. In many countries this is explained by their participation in the Train the Trainer programme (see Table 7 and Train the Trainer programme).

FIGURE 8. **African countries' infrastructure for exchange of information (2022)**



Note: This graph reflects the situation of 38 countries that responded to the Tax Transparency in Africa Survey 2023.

Source: Tax Transparency in Africa Survey 2023.

7. CAs are generally the ministers in charge of Finance or their duly authorised representatives, which, depending on the specific organisation of each jurisdiction, may be the officials of the ministry of finance or the tax administration.

TABLE 7. **Domestic capacity building on exchange of information in Africa**

Number of events/staffs trained	2021	2022
Number of training events held for tax auditors/EOI staff	37	73
Number of tax of tax auditors/EOI staff trained	1 193	1 613

Note: This table is based on responses from 26 African countries who responded to the question in the survey.

Source: Tax Transparency in Africa Survey 2023.

BOX 8. **Tunisia: Enhanced training to improve the performance of exchange of information**

The Directorate General of Taxation (DGI) has invested massively on the implementation of EOI in Tunisia, including through the training of its staff on this topic.

During the period 2015 to 2019, 532 auditors and investigators of the DGI involved in the EOI process at the central and regional levels benefited from more than 10 training sessions delivered in Tunis and in the regions by staff members of the International EOI Unit and experts from the Global Forum.

The face-to-face training sessions were interrupted in 2020 due to the COVID-19 pandemic. Therefore, the training courses were carried out virtually during 2020 and 2021 and covered the following topics:

- Exchange of information: 524 participants
- Use of the Foreign Information Exchange for Tax Purposes System "EREFF": 85 participants
- IT security: 347 participants
- Ethics: 64 participants

Source: Directorate General of Taxes, Tunisia.

In 2022, 252 tax officials participated in six virtual and face-to-face training workshops on EOI held by the Global Forum, while 165 tax auditors participated in four training sessions on EOI organised by the DGI.

Overall, 1 969 tax officials have been trained on EOI and related topics over the past seven years. This has contributed significantly to the dissemination of the EOI knowledge across the tax administration and explains the progress made by Tunisia in fighting cross-border tax evasion through EOI as seen in the number of requests sent below:

Year	No. of requests
2018	121
2019	269
2020	285
2021	264
2022	250

In 2022 alone, Tunisia identified additional revenue totalling EUR 11.3 million from the information received.

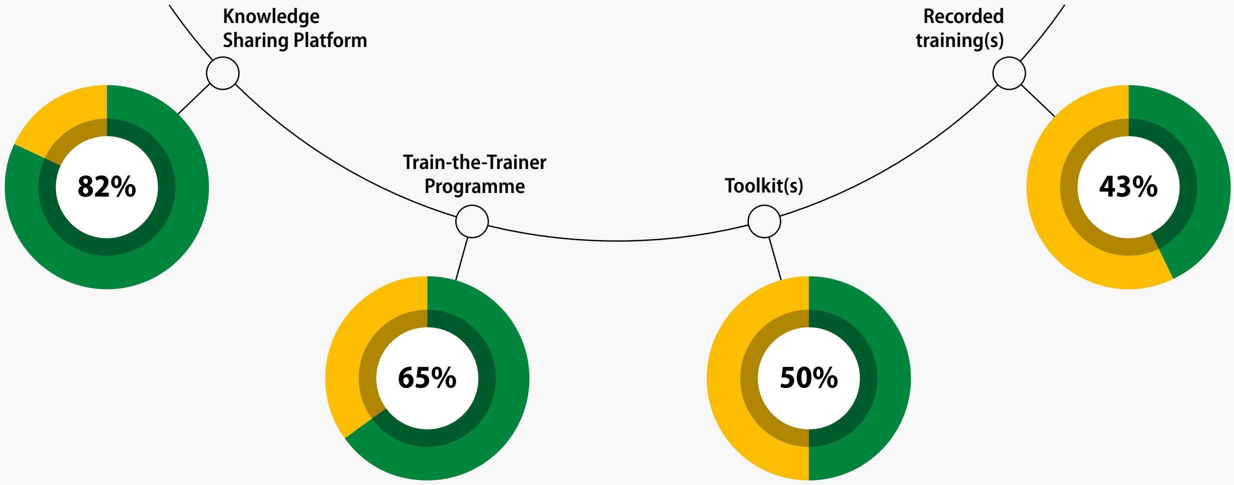
The EOI knowledge differs greatly between members and non-members. Over 80% of members rate their EOI knowledge as high (22%) or medium (59%). In contrast, 60% of non-members rate the EOI knowledge as low and 40% as medium. African countries with high EOI knowledge attribute it to their participation in trainings organised by the Global Forum, by ATAF, and locally by the tax administration, including within the framework of the Global Forum's Train the Trainer programme. African members primarily use e-learnings on Knowledge Sharing Platform (KSP)[8], followed by trainings delivered by participants from the Train-the-Trainer Programme, toolkits, and recorded trainings (see Figure 9).

IMPLEMENTATION OF THE STANDARD FOR EXCHANGE OF INFORMATION ON REQUEST

One of the main commitments for all members Global Forum is to be peer-reviewed by the against

8. Available at https://ksp-ta.org/.

FIGURE 9. **Percentage of African countries using Global Forum resources for acquiring and disseminating knowledge and skills on exchange of information**



Note: The figures indicate the percentage of African countries that use the respective resources provided by the Global Forum for acquiring and disseminating knowledge and skills on exchange of information.

Source: Tax Transparency in Africa Survey 2023.

the EOIR standard, including the legal and regulatory framework and its effectiveness in practice.[9] The monitoring and peer review processes provide assurance to the Global Forum members that all jurisdictions are properly implementing the standard and highlight areas where improvements are needed.

Peer reviews of the standard on transparency and exchange of information on request

The first African countries to become members of the Global Forum were peer-reviewed against the EOIR Terms of Reference (ToR) adopted in 2010 in a first round of evaluation. Since then, more and more African countries have joined the Global Forum and have been or will be peer-reviewed in the second round of evaluations against the EOIR ToR that were revised in 2016, to, amongst others, include requirements to maintain beneficial ownership information on legal persons and arrangements and bank accounts.[10]

To date:

- Out of the thirty-seven African members, twenty have undergone an EOIR peer review during the first and/or second round of reviews (see Table 8).
- Fourteen African members have been peer reviewed in the second round of reviews. Out of this, nine have been subject to a full review (a review of the legal and regulatory framework and its implementation in practice), five have been subjected to a review of the legal and regulatory framework only (Phase 1 review) as no onsite visit could not be undertaken due to the COVID-19 pandemic (Côte d'Ivoire, Gabon and Kenya) or due to limited or no experience in EOIR (Tanzania and Togo).
- Twenty-two African members are yet to be subjected to either a full review or a Phase 1 review under the second round of EOIR peer reviews.

9. The peer review takes the form of a combined review or a phased review. A combined review, which is the default option of review in Round 2, is a simultaneous review of both the legal and regulatory framework and the practical implementation of this framework by the jurisdiction. It implies the organisation of an onsite visit a couple of months after the launch of the review. In November 2021, the Global Forum adopted further amendments to the Methodology for EOIR peer reviews, resulting in the possibility for jurisdictions with no or limited practical EOIR experience to undergo an EOIR peer review in two phases. A phased review is a review with two phases: the first phase aims at assessing the legal and regulatory framework (Phase 1), and the second phase aims at assessing the implementation of this framework in practice (Phase 2). In the context of a phased review, the onsite visit is organised only during the second phase of the review, which would take place a few years after the Phase 1 review.

10. The 2016 EOIR ToR introduces a requirement that beneficial ownership information be available for EOIR purposes in respect of legal persons (e.g. companies, foundations and limited liability partnerships) and legal arrangements (e.g. trusts). Other improvements have been introduced regarding the coverage of enforcement measures and record retention periods, foreign companies, rights and safeguards, and the completeness and quality of EOI requests and responses.

The results of the nine African countries in the second round of evaluations against the EOIR standard indicate that:

- Only one African country (Mauritius) was rated overall Compliant, while four were rated Largely Compliant (Morocco, Nigeria, Tunisia and South Africa). The remaining four countries obtained an overall rating of Partially Compliant (Botswana, Ghana, Liberia and Seychelles).
- Compared to the first round of reviews, one country improved its overall rating from Largely Compliant to Compliant (Mauritius), one had its overall rating downgraded from Compliant to Largely Compliant (South Africa), two maintained a Largely Compliant overall rating (Morocco and Nigeria), three had their overall ratings downgraded from Largely Compliant to Partially Compliant (Botswana, Ghana and Seychelles).
- Two countries were reviewed for the first time during this round and attained an overall rating of Largely Compliant (Tunisia) and Partially Compliant (Liberia).

The main causes of the downgrades in the overall ratings of African members have mainly been gaps in meeting the enhanced requirements in the 2016 EOIR ToR for ensuring the availability of beneficial ownership information for legal persons and arrangements (Element A.1) and gaps in requesting and providing information in a timely manner (Element C.5).

Transparency of beneficial ownership in Africa

Transparency of beneficial ownership plays a significant role in tax transparency, the integrity of the financial sector and law enforcement efforts. Tax evasion and other forms of IFFs, such as corruption and moneylaundering, may be facilitated through the misuse of legal entities and arrangements (companies, foundation, partnerships, trusts, etc.). By using complex chains of ownership of legal persons and arrangements across many jurisdictions, the identity of the "true owners" of assets, including financial ones, the true purpose of the assets and/or the origin of the funds or assets can be hidden. Anonymity can be enhanced by using other mechanisms, such as bearer shares or nominee shareholders or directors, or legal entities or legal arrangements, such as trusts, shell companies and other similar structures. Ultimately, the identity of the "true owner(s)", which is the beneficial owner(s), may be concealed from tax authorities and other law enforcement agencies.

The EOIR standard requires every jurisdiction to ensure the availability of beneficial ownership information for all relevant legal entities and arrangements (Element A.1) and for all bank accounts (Element A.3) and to ensure that tax administrations are able to obtain the information needed to assess taxpayers' activities, no matter where these are carried out. The availability of beneficial ownership information implies that adequate, accurate and uptodate information on the identity of the beneficial owners is held by an information holder in the jurisdiction, i.e. a person having possession of or control over records or information. In addition, availability is ensured only where there are clear recordkeeping obligations, effective supervision and enforcement measures in the jurisdiction.

The EOIR standard relies on the internationally accepted definition set up by the Financial Action Task Force (FATF) to combat money laundering and financing of terrorism. The FATF Recommendations[11] define the beneficial owners as the natural persons who ultimately own or control a legal person or a legal arrangement.

As described in Box 9, in March 2022 the FATF adopted a stronger global beneficial ownership standard regarding legal persons, by revising Recommendation 24 and its Interpretive Note to explicitly require countries to use a multi-pronged approach, i.e. to use a combination of different mechanisms for ensuring the availability of beneficial ownership information for AML purposes.

The outcomes of the second round of reviews regarding the implementation of beneficial ownership requirements in Africa varies from one country to another. Table 9 summarises the determinations and ratings received by African countries for Element A.1.

11. FATF (2023), *International Standards on combating money laundering and the financing of terrorism & proliferation, the FATF Recommendations*, FATF, Paris, France, https://www.fatf-gafi.org/content/dam/recommandations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf.

TABLE 8. **African members compliance ratings against the exchange of information on request standard***

African member	Round 1 rating	Round 2 rating
Algeria	Not reviewed	Launch scheduled for Q4 2024
Angola**	Not reviewed	Q1 2026
Benin	Not reviewed	Launch scheduled for Q4 2023
Botswana	Largely Compliant	Partially Compliant (Launched Supplementary Review in Q1 2023)
Burkina Faso	Largely Compliant	Launch scheduled for Q4 2023
Cabo Verde	Not reviewed	Launch scheduled for Q3 2024
Cameroon	Largely Compliant	Launched in Q1 2023
Chad	Not reviewed	Launch scheduled for Q1 2024
Congo (Rep. of the)	Not reviewed	Launch scheduled for Q4 2025
Côte d'Ivoire	Not reviewed	Phase 1 only (Phase 2 scheduled for Q4 2023)***
Djibouti	Not reviewed	Launch scheduled for Q3 2023
Egypt	Not reviewed	Launched Q4 2022
Eswatini	Not reviewed	Launch scheduled for Q2 2024
Gabon	Largely Compliant	Phase 1 only (Phase 2 scheduled for Q1 2025)***
Ghana	Largely Compliant	Partially Compliant
Guinea	Not reviewed	Launch scheduled for Q3 2024
Kenya	Largely Compliant	Phase 1 only (Phase 2 launched in Q4 2022)***
Lesotho	Largely Compliant	Phase 1 review launched in Q2 2022
Liberia	Not reviewed	Partially Compliant
Madagascar	Not reviewed	Launch scheduled for Q4 2023
Mali	Not reviewed	Launch scheduled for Q3 2024
Mauritania	Largely Compliant	Launched Q1 2023 (Phase 1 only)
Mauritius	Largely Compliant	Compliant
Morocco	Largely Compliant	Largely Compliant
Namibia	Not reviewed	Launch scheduled for Q3 2024
Niger	Not reviewed	Launch scheduled for Q1 2024
Nigeria	Largely Compliant	Largely Compliant
Rwanda	Not reviewed	Launch scheduled for Q4 2023
Senegal	Largely Compliant	Launch scheduled for Q3 2023
Seychelles	Largely Compliant	Partially Compliant (Supplementary Review launched in Q3 2022)
Sierra Leone**	Not reviewed	Not yet scheduled
South Africa	Compliant	Largely Compliant
Tanzania	Not reviewed	Phase 1 only (Phase 2 scheduled for Q3 2024)****
Togo	Not reviewed	Phase 1 only (Phase 2 scheduled for Q3 2026)****
Tunisia	Not reviewed	Largely Compliant
Uganda	Largely Compliant	Launch scheduled for Q2 2023
Zimbabwe**	Not reviewed	Not yet scheduled

***** The four possible ratings allocated after a full peer review are as follows, ranked in increasing quality: Non-Compliant, Partially Compliant, Largely Compliant, Compliant.
** Became a Global Forum and Africa Initiative member in 2023
*** Subject to a Phase 1 review due to the COVID-19 pandemic
**** Subject to a phased review due to limited or no experience in EOIR

Source: https://www.oecd.org/tax/transparency/documents/schedule-of-reviews.pdf and https://www.oecd.org/tax/transparency/documents/exchange-of-information-on-request-ratings.htm.

No African country is rated as Compliant on Element A.1 due to deficiencies in the legal and regulatory framework for ensuring the availability of beneficial ownership information and, in the case of combined reviews, its implementation in practice. Only three African countries are rated Largely Compliant for this element (Mauritius, Morocco and Tunisia), while the remaining six are rated Partially Compliant (Botswana, Ghana, Liberia, Nigeria, Seychelles, South Africa).

The key recommendations received by African countries are to ensure the definition of beneficial owner is in line with the standard and to issue adequate guidance on how to identify beneficial owners of legal entities and arrangements so that accurate, adequate and up-to date information on beneficial owners is always available. With respect to the practical implementation, the main recommendation is to ensure that adequate oversight and enforcement activities are carried out.

Most of the African countries are yet to be fully reviewed in the second round of reviews. The Global Forum Secretariat, under the umbrella of the Africa Initiative, will continue to work hand in hand with these countries to develop effective frameworks for beneficial ownership transparency. Similar support has been extended to countries that have been peer reviewed to close the gaps identified during their review. This includes support to:

- raise awareness at the political level and within the legislative circles in the jurisdiction on the importance of ensuring beneficial ownership transparency
- make a determination of the policy approach best suited for the jurisdiction when developing its beneficial ownership framework
- improve or introduce a definition of beneficial owner in the domestic legal framework in line with the standard, with corresponding guidance for the

TABLE 9. **Determinations and ratings on availability of beneficial ownership information received by African members (Element A.1)**

African member country	Legal framework determination	Practical implementation rating
Botswana	In Place but Needs Improvement	Partially Compliant
Côte d'Ivoire	In Place but Needs Improvement	Not yet reviewed
Gabon	In Place but Needs Improvement	Not yet reviewed
Ghana	In Place	Partially Compliant
Kenya	In Place but Needs Improvement	Not yet reviewed
Liberia	In Place	Partially Compliant
Mauritius	In Place but Needs Improvement	Largely Compliant
Morocco	In Place but Needs Improvement	Largely Compliant
Nigeria	In Place but Needs Improvement	Partially Compliant
Seychelles	In Place but Needs Improvement	Partially Compliant
South Africa	In Place but Needs Improvement	Partially Compliant
Tanzania	In Place but Needs Improvement	Not yet reviewed
Togo	In Place	Not yet reviewed
Tunisia	In Place	Largely Compliant

Note: This table only takes into account both the nine African countries which have been fully reviewed by the Global Forum in the second round on EOIR peer reviews and the five African countries that have only undergone a phase 1 review in the second round of EOIR peer reviews.
* Determinations are issued following an assessment of the legal and regulatory framework. The structure of the determinations is as follows, ranked in decreasing quality: In Place, In Place But Needs Improvement and Not In Place.
** Ratings are issued following an assessment of the practical implementation of the legal and regulatory framework. The structure of the ratings is as follows, in decreasing quality: On Track, Partially Compliant and Non-Compliant.

Source: Global Forum, **EOIR peer reviews**, https://www.oecd.org/tax/transparency/documents/exchange-of-information-on-request-ratings.htm.

identification of beneficial owners of different legal forms (e.g. partnerships)

- raise awareness amongst relevant stakeholders obliged with identifying, verifying and maintaining the information on the identity of beneficial owners within the jurisdiction
- train relevant stakeholder on the various aspects of beneficial ownership requirements
- design effective supervision and enforcement activities to ensure compliance with the requirements of the domestic legal framework.

Impact of improvements in organisational processes for managing exchange of information

The second round of EOIR peer reviews shows that African countries are taking steps to enhance their organisational processes for managing EOI but some challenges remain.

The results of the peer reviews for the 9 African countries that have been fully reviewed (Element C.5)[12] indicate that African countries should go beyond establishing EOI infrastructure to actually ensuring that they are implemented in an effective manner. While two are rated Compliant with respect to Element C.5

12. No rating was assigned on Element C.5 for the five African countries that have only been subjected to a Phase 1 review as it involves issues of practice that are dealt with in the Phase 2 review.

BOX 9. **Financial Action Task Force: Updates to transparency and beneficial ownership requirements**

The results of FATF Mutual Evaluations suggest that a "multi-pronged approach" is more effective than a single approach in ensuring beneficial ownership transparency.

Consequently, in March 2022 the FATF adopted a stronger global beneficial ownership standard regarding legal persons, by revising Recommendation 24 and its Interpretive Note. The main updates include:

- explicit requirement for countries to use a "multi-pronged approach" to ensure that adequate, accurate and up-to-date information on the beneficial ownership of legal persons is available and can be accessed by the competent authorities in a timely manner. The multi-pronged approach requires as a minimum:
  - an entity approach (i.e. information held and/or supplied by legal persons themselves)
  - a central register approach (i.e. information held by public authorities in a register) or an alternative mechanism if it ensures rapid and efficient access to beneficial ownership information for competent authorities
  - any other supplementary sources of information, as necessary, commensurate to the risks faced by the jurisdiction.
- specification that information should be adequate for identifying the beneficial owner, accurate and based on verification, and up to date.

With the implementation of the revised FATF standard worldwide, it is expected that more and more jurisdictions will take the multi-pronged approach, including a centralised register of beneficial owners to ensure transparency of legal persons.

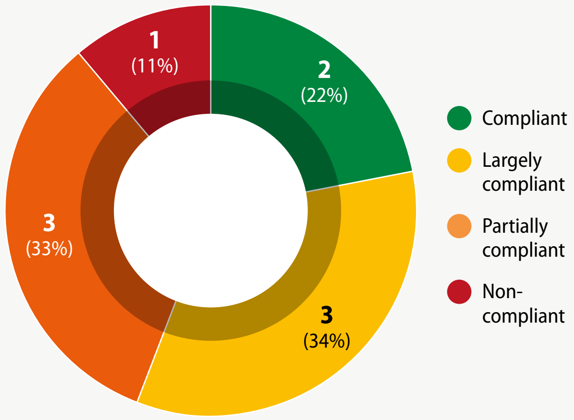
The revisions to Recommendation 24 also include stronger controls to prevent the misuse of bearer shares and nominee arrangements.

In March 2023, the FATF also updated its Recommendation 25 on transparency and beneficial ownership of legal arrangements to strengthen transparency of beneficial ownership of legal arrangements. It particularly clarifies that beneficial ownership requirements extend to both the express trust and other similar legal arrangements and changes the "nexus" for triggering the obligation of the trustee to obtain and hold beneficial ownership information on the trust, which participates to better transparency.

Note: Additional information can be found at FATF (2023), Guidance on Beneficial Ownership for Legal Persons, FATF, Paris, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html.

Source: Analysis done by the Global Forum Secretariat based on publicly available information.

FIGURE 10. **Quality and timeliness of responses to requests for information (Element C.5): Distribution of ratings for nine African countries**



Note: This figure is based on the ratings achieved by nine African members fully reviewed in the second round of EOIR peer reviews (Mauritius, Morocco, Nigeria, Tunisia, South Africa, Botswana, Ghana, Liberia and Seychelles).

Source: Global Forum, ***EOIR peer reviews***, https://www.oecd.org/tax/transparency/documents/exchange-of-information-on-request-ratings.htm.

and three are rated Largely Compliant, totaling 56%, the remaining four (44%) obtained unsatisfactory ratings which included a Partially Compliant rating for three and a Non-Compliant rating for one (see Figure 10).

Although all the four African countries that received a poor rating for "quality and timeliness of responses" (Element C.5)[13] had established an EOI unit and dedicated resources and tools for their proper functioning, they all experienced delays in providing information requested in a timely manner and failed to maintain effective communication channels with their EOI partners to update them of the progress made in handling their requests. For some, the staffing levels was found inadequate due to the large volume of EOI requests received. There is scope for improvements in the handling of EOI requests in these countries. Since 2014, the Global Forum Secretariat has provided extensive technical assistance to the Africa Initiative members to establish efficient organisational structures and effective systems to enable them handle EOI requests efficiently. A functional EOI unit is also key to spreading awareness amongst tax auditors and investigators on the potential for EOI to assist them obtain information necessary for cases with a cross-border element. Tools developed by the Global Forum include the Model Manual on Exchange of Information for Tax Purposes (jointly developed with AfDB and the World Bank Group)[14] and the Toolkit for Establishing and Running an Effective Exchange of Information Function (jointly developed with ATAF).[15] The Global Forum Secretariat will enhance its support for African countries to strengthen their EOI processes.

IMPLEMENTATION OF THE STANDARD OF AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

In recognition of their unique challenges and the lower risk they pose to the level playing field, developing countries that do not host a financial centre were not required to start AEOI by a defined date. Nonetheless, like all members of the Global Forum, they are committed to implement the AEOI standard, albeit with a practical timeline, to be defined with the support of the Global Forum Secretariat. Since the start of AEOI, the Secretariat has provided technical assistance to its members, focusing on developing countries, to implement this standard.[16]

Increasing participation of Africa in automatic exchange of financial account information

The technical assistance provided to African countries has yielded positive results. The first automatic exchanges in Africa started in 2017 with two Africa Initiative members. Additional African countries joined the automatic exchanges each year in 2018, 2019 and 2020, bringing the total number of African members that had exchanged information automatically to five as of December 2022. These five members are exchanging information reciprocally, i.e. they send and receive information, having successfully passed their pre-exchange confidentiality and data safeguard

13. Element C.5 of the EOIR standard requires that jurisdictions should request and provide information under its network of agreements in an effective manner.

14. OECD, AfDB and WBG (2021), *Model Manual for Exchange of Information for Tax Purposes*, available at https://www.oecd.org/tax/transparency/documents/model-manual-on-exchange-of-information-for-tax-purposes.htm. The toolkit is available in English, French, Portuguese, Spanish and Arabic.

15. OECD (2020), *Toolkit for Establishing and Running an Effective Exchange of Information Function*, available at https://www.oecd.org/tax/transparency/documents/eoi-unit-toolkit.htm. The toolkit is available in English, French, Spanish and Arabic.

16. OECD (2021), *Unleashing the potential of automatic exchange of information for developing countries* (2021 Strategy), https://www.oecd.org/tax/transparency/documents/aeoi-strategy-developing-countries.pdf.

African countries' progress in implementing the tax transparency standards

Table 10. Status of African countries' participation in automatic exchange of financial account information

2017	2018	2019	2020	2023 (Expected)	2024 (Expected)	2025 (Expected)
Seychelles	**Mauritius**	**Ghana**	Ghana	Ghana	Ghana	Ghana
South Africa	Seychelles	Mauritius	Mauritius	Mauritius	**Kenya**	Kenya
	South Africa	Seychelles	**Nigeria**	Nigeria	Mauritius	Mauritius
		South Africa	Seychelles	Seychelles	Nigeria	**Morocco**
			South Africa	South Africa	Seychelles	Nigeria
				Uganda	South Africa	**Rwanda**
					Tunisia	Seychelles
					Uganda	South Africa
						Tunisia
						Uganda

Source: Global Forum, *Automatic Exchange of Information (AEOI): Status of Commitments* https://www.oecd.org/tax/transparency/aeoi-commitments.pdf.

assessments which is a pre-requisite. In addition, five more African countries are committed to implementing AEOI within the next three years. These are Uganda (2023), Kenya and Tunisia (2024) and Morocco and Rwanda (2025). Overall, it is expected that 10 African members will be exchanging information automatically by 2025, as shown in Table 10.

While commitment to AEOI is increasing, the full potential of this form of EOI is yet to be unlocked. African countries that have not taken any step towards the implementation of AEOI indicated that the main obstacles are the lack of an enabling domestic legal framework and an international legal gateway for AEOI, an inadequate capacity and resources as well as the absence of a political decision to implement AEOI (see left graph of Figure 11). The Global Forum Secretariat is supporting two African countries to address these challenges and commit to AEOI on a practical timeframe.

On the other hand, countries that are implementing or are committed to automatic exchanges by a specific date indicated that the primary challenge is putting in place an international legal framework that facilitates AEOI. The other challenges are delays in enacting legislation that translates the requirements of the CRS into domestic law and putting in place a framework that meets the requirements of the confidentiality and data safeguards assessments (see right graph of Figure 12). The Global Forum Secretariat is equally supporting these countries to put in place the essential building blocks for AEOI, to develop administrative compliance strategies[17] to assist countries in Module 7 of the modular approach for AEOI implementation (see Box 10) and to make effective use of CRS data.

The Global Forum Secretariat remains committed to providing African countries with technical assistance following the modular approach which has proven very effective in enabling developing economies to determine a practicable date for their first exchanges.

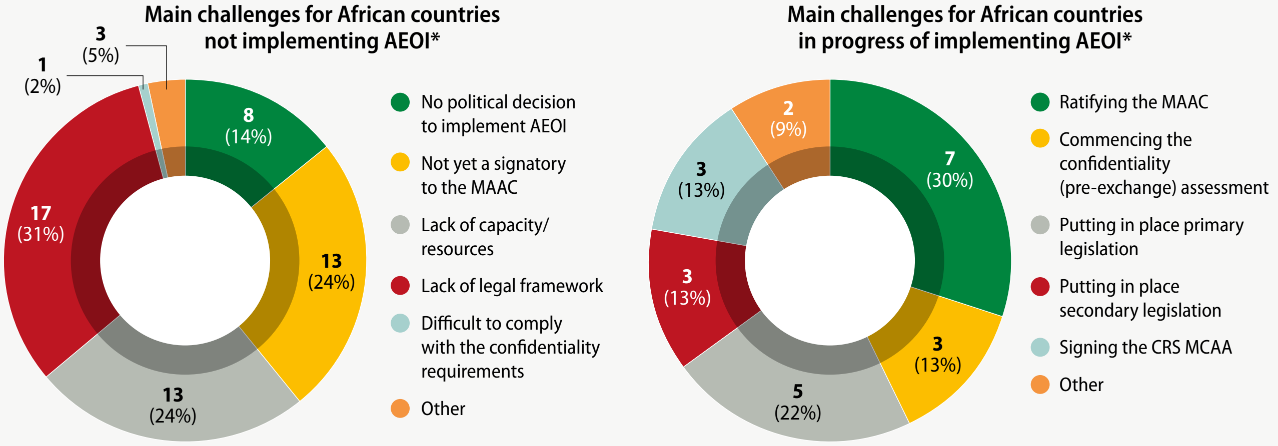
This includes, but is not limited to:

- the drafting or improvement of domestic legal frameworks for AEOI
- onboarding the MAAC as the international legal gateway for AEOI
- signing and activating the CRS-MCAA[18]

17. OECD (2022), *Model Administrative Compliance Strategy*, available to tax authorities upon request.

18. To facilitate the large-scale implementation of the AEOI standard, the CRS-MCAA has been developed. A particular bilateral relationship under the CRS-MCAA becomes effective only if both jurisdictions have the MAAC in effect, have filed the required notifications under Section 7 and have listed each other as exchange partner.
The text of the CRS-MCAA is available at
https://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/multilateral-competent-authority-agreement.pdf.

FIGURE 11. **Main challenges for African countries on the implementation of automatic exchange of financial account information**



Note: The figures are based on the responses of 38 African countries that responded to the Tax Transparency in Africa Survey 2023.
* AEOI stands for Automatic Exchange of Financial Account Information under the Common Reporting Standard.

Source: Tax Transparency in Africa Survey 2023.

- enrolment into the Common Transmission System (CTS)[19]
- formulation and implementation of a strategy to ensure the effective compliance of financial institutions with their due diligence and reporting obligations.

The technical assistance is supported by guidance and working tools developed by the Global Forum and available to members. These include an e-learning course on AEOI,[20] a toolkit for the implementation of AEOI[21] and a toolkit on confidentiality and information security management.[22] The tools provide detailed guidance and customisable solutions and share best practices on various aspects of the implementation of the AEOI standard.

BOX 10. **The Common Reporting Standard Model Administrative Compliance Strategy**

The Model is directly linked to the requirements of the AEOI standard and ToR and illustrates the series of steps and procedures that CAs should follow to ensure compliance from financial institutions in implementing their CRS due diligence and reporting rules. It outlines the key components that a strategy for AEOI compliance should have and specific procedures to guide the implementation of each component, such as procedures for identifying reporting financial institutions, risk assessment criteria to inform compliance activities, and procedures to apply sanctions when non-compliance is identified.

The Model intends to be: (i) explanatory, by providing comments to explain the context of each proposed section, (ii) flexible, by providing examples that jurisdictions may follow, and (iii) practical, by proposing text that jurisdictions could reproduce and/or adapt in their compliance frameworks.

The Model is available in English, French and Spanish to Global Forum member countries on demand.

Source: Global Forum Secretariat

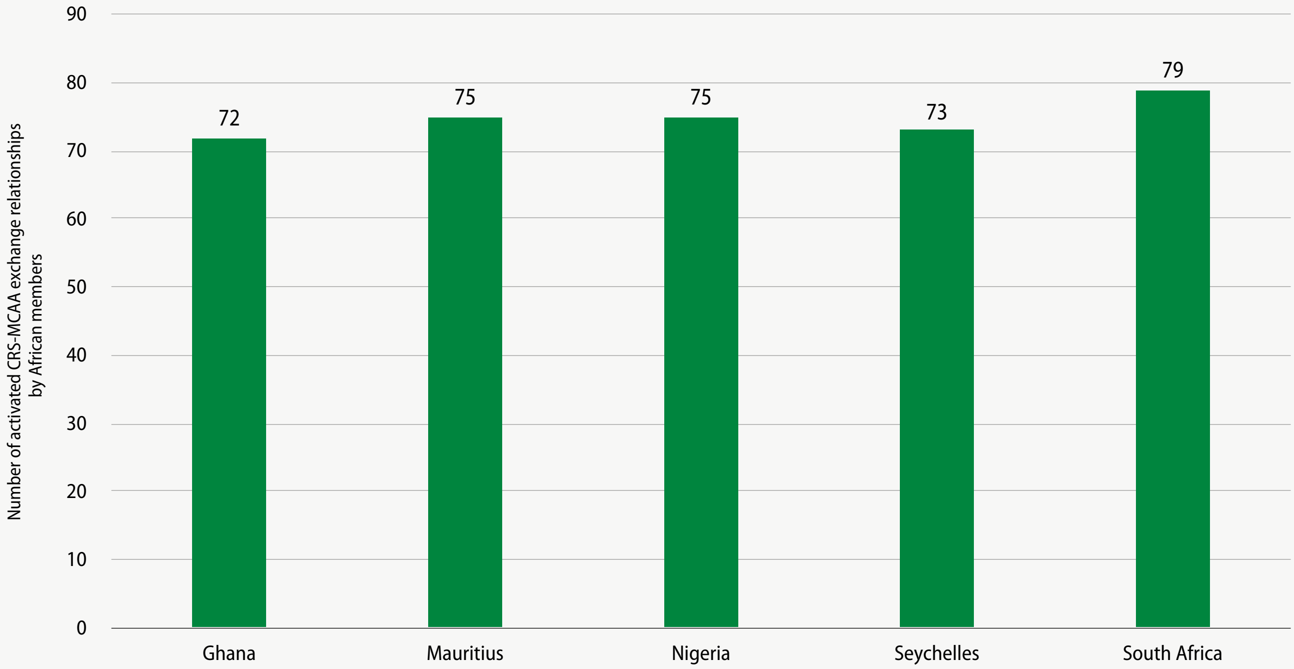
19. KSP toolkit for the CTS, available at https://ksp-ta.org/#/elearning/elearning-detail/CFE1B4D4-E7A7-99EF-7D66670E76D77DB6.

20. Global Forum e-learning courses are available at: https://www.oecd.org/tax/transparency/resources/global-forum-e-learning.htm.

21. OECD (2021), *Toolkit for the Implementation of the Standard for Automatic Exchange of Financial Account Information*, https://www.oecd.org/tax/transparency/documents/aeoi-implementation-toolkit_en.pdf.

22. OECD (2020), *Confidentiality and Information Security Management Toolkit*, https://www.oecd.org/tax/transparency/documents/confidentiality-ism-toolkit_en.pdf.

FIGURE 12. **Number of activated automatic exchange relationships by African countries**



Note: As of December 2022, the total number of CRS-MCAA signatories is 119.

Source: Automatic Exchange Portal, https://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/exchange-relationships/.

Broad network of exchange partners

The five African countries that have exchanged information automatically have a broad network of exchange partners under the CRS-MCAA, with a total of 374 AEOI relationships activated as at the end of 2022 (see Figure 12). It is expected that this figure will further increase, with other countries in the region due to start exchanging CRS data in the coming years (see Table 10).

Outcome of the peer reviews on automatic exchange for African countries

Part of the commitment to the AEOI standard includes being subject to the peer review process. The legal and regulatory frameworks of the five African countries that are exchanging information automatically have been reviewed with mixed results. They all have an international legal framework for AEOI as required by the standard (In Place). However, not all of them have the domestic legal framework required by the standard: in three of these countries, the domestic legal framework "In Place but Needs Improvements". As a result, only two of the five African countries received a satisfactory overall rating of "In Place" while three "Need Improvement". Box 11 shows the steps taken by Mauritius to establish a legal framework that meets the requirements of the AEOI standard and effectively implement it.

The initial review of the effectiveness in practice of AEOI also covered the three countries that exchanged information in 2017 and 2018 with varying results: overall one country is "On Track", one country is "Partially Compliant", while one country is "Non-Compliant" (primarily due to malfunctioning of due diligence and reporting procedures and a lack of effective and timely exchange of information). Table 11 shows the results of the review of the AEOI legal frameworks and the initial review of effectiveness in practice of AEOI in Africa.

TABLE 11. **Results of peer reviews on automatic exchange of financial account information in Africa**

Country	Review of AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	CR1 Domestic legal framework	**CR2** International legal framework	**Overall determination**	**CR1** Domestic information collection and reporting	**CR2** International information exchange	**Overall rating**
Ghana	In place but needs improvement	In place	In place but needs improvement	To be published in 2023		
Mauritius	In place	In place	In place	On track	On track	On track
Nigeria	In place but needs improvement	In place	In place but needs improvement	To be published in 2024		
Seychelles	In place but needs improvement	In place	In place but needs improvement	Non-compliant	Non-compliant	Non-compliant
South Africa	In place	In place	In place	Partially compliant	On track	Partially compliant

Note: *The structure of the determinations on the legal framework is as follows, ranked in decreasing quality: In Place, In Place But Needs Improvement and Not In Place. **The structure of the ratings for effective implementation is as follows, in decreasing quality: On Track, Partially Compliant and Non-Compliant.

Source: OECD (2022), *Peer Review of the Automatic Exchange of Financial Account Information 2022*, https://doi.org/10.1787/36e7cded-en.

BOX 11. **Implementation of automatic exchanges – the Mauritius experience**

Mauritius became the third African country to exchange financial account information automatically under the CRS. It undertook its first AEOI exchanges in 2018, joining South Africa and Seychelles, who had started in 2017 with the other 47 early adopter jurisdictions.

From the beginning, Mauritius took steps to ensure that it has in place a legal and administrative framework that meets the requirements of the international standard, including with regard to safeguarding the confidentiality of the data received. As a result, Mauritius' confidentiality and data safeguard pre-exchange assessment was successful and it has been exchanging information on a reciprocal basis since 2018.

Since 2018, Mauritius has received and sent information on financial accounts as detailed in the table below.

Continued...

Year	Incoming			Outgoing		
	No. of CRS account reports received	No. of Jurisdictions	Value of accounts received (in billion EUR)	No. of CRS account reports sent	No. of Jurisdictions	Value of accounts sent (in billion EUR)
2018	51 984	49	18.5	30 770	66	27.8
2019	74 427	75	19.5	85 583	63	29.6
2020	86 358	78	30.1	230 176	71	32.1
2021	85 209	81	64	290 868	76	31.5
2022	96 599	83	47.4	307 898	75	33.1

Box 11 continued...

Mauritius has also taken appropriate steps to ensure the effective implementation of the AEOI standard in practice.

This included:

- establishing a dedicated unit to manage AEOI under the CRS and the Foreign Account Tax Compliance Act (FATCA) and resourcing it with qualified staff and providing it with IT resources
- intensive and continuous capacity building for officials of the Mauritius Revenue Authority (MRA) on the implementation of the AEOI standard
- developing an administrative compliance strategy including a programme for supervision and monitoring of financial institutions with on-site visits conducted, to ensure that entities and accounts are classified properly, that due diligence processes are applied in line with the standard and that proper reporting takes place.

To facilitate reporting, the MRA:

- has established a CRS Committee, which meets regularly. The CRS Committee consists of representatives of the Mauritius Revenue Authority, the State Law Office, the Ministry of Finance and Economic Planning and Development and the Financial Sector. Its objective is to ensure the smooth implementation of the CRS including identifying training requirements, guidelines and discussion on the technical aspects of the standard.
- has developed a CRS guidance with explanatory notes for the financial sector
- regularly conducts workshops for the financial sector. The workshops and training sessions provided to the financial sector was primarily directed to the understanding and implementation of the technical aspects of CRS. The topics covered included the requirements for the identification of Financial Institutions, Reportable Persons and information to be reported, as well as the common due diligence rules. The Mauritius Revenue Authority supplemented these trainings with sessions on their platform to be used by Financial Institutions to report information collected and the use of the XML Schema.

The steps taken by Mauritius have yielded positive results in the AEOI peer reviews.

In 2022, Mauritius' legal framework for implementing the AEOI standard was determined to be "In Place" and consistent with the requirements of the AEOI ToR. This includes Mauritius' domestic legislative framework requiring reporting financial institutions to conduct the due diligence and reporting procedures and its international legal framework to exchange the information with all of Mauritius' interested appropriate partners.

In addition, in 2022, Mauritius' implementation of the AEOI standard was determined to be "On Track" with respect to the requirements of the AEOI ToR to ensure the effectiveness of the AEOI standard in practice. This includes ensuring reporting financial institutions correctly conduct the due diligence and reporting procedures and exchanging the information in an effective and timely manner.

Mauritius is also putting in place processes for making effective use of the information received, including matching data received to the domestic database held by MRA. The data received has reinforced the risk-based selection approach to identifying audit cases, which are referred to Fiscal Investigations Department for investigation for possible tax evasion. It has also led to the identification of persons who should have but did not file tax returns.

CRS data has had a positive impact on tax compliance. In addition to its deterrence value, MRA has identified undisclosed income and raised assessments. Since 2018, the MRA has selected 972 cases for audit based on CRS data. This has culminated in 44 assessments with additional tax amounting to MUR 17 million (EUR 340 344) representing MUR 114 million (EUR 2.3 million) of undisclosed income.

The implementation of AEOI in Mauritius has benefitted the country in the following ways:

- It has enabled the MRA to have better visibility on the wealth/foreign assets held abroad by residents of Mauritius and helped in detecting possible tax evasion
- It has enabled MRA to identify additional revenue.
- It has consolidated the position of Mauritius as a sound and regulated financial center, which complies with all international standards and requirements.

Source: Mauritius Revenue Authority.

4

Using tax transparency for domestic resource mobilisation

The tax transparency standards aim to ensure an effective exchange of information among tax authorities around the world, for the enforcement of their tax laws and to better tackle cross-border tax evasion and increase domestic resource mobilisation.

2022 KEY TAKE-AWAYS

Use of the tax transparency standards by African countries

- African countries made a total of 531 EOI requests in 2022. Although this represents a decline from the 592 requests made in 2021, the gap between requests made and received is narrower than pre-COVID-19 pandemic levels.
- The number of African countries making requests rose to 19 in 2022, from 15 in 2021. However, 7 countries account for 92% of all requests sent.
- The number of incoming EOI requests rose 9% to 683 in 2022, from 628 in 2021. A total of 19 African countries received EOI requests in 2022, compared to 18 in 2021. Eight countries received 90% of all incoming requests.
- Since 2016, EOI between African countries has been increasing. In 2022, 21% (79) of the requests received and 27% (126) of the requests sent were received from or sent to other African country respectively. With the entry into force of the Africa Free Continental Trade Area Agreement, intra-African EOI will play a key role in enabling African countries to curb potential intra-Africa cross-border tax evasion due to increased intra-African trade.
- In 2022, 2 African countries (Nigeria and South Africa) have reported making follow-up EOI requests based on information received and sent under AEOI.

USE OF EXCHANGE OF INFORMATION ON REQUEST BY AFRICAN COUNTRIES

EOIR is a powerful tool for detecting tax evasion, provided that it is actively used by tax administrations. Tax auditors are strongly encouraged to make requests for relevant information to other jurisdictions and to use such information for their tax audits and investigations (see Box 12).

12th meeting of the Africa Initiative, 8 November 2022, Seville, Spain.

11th meeting of the Africa Initiative, 14-16 June 2022, Nairobi, Kenya.

BOX 12. **South Africa: Case studies on the usefulness of exchange of information on request**

CASE 1: Exchange of information as tool for detecting tax fraud in indirect taxes

The South African Revenue Service (SARS) launched a Value Added Tax (VAT) audit covering the period August 2014 to March 2016, based on the significant VAT refund claims made by a taxpayer (W). W also had a history of non-compliance and had been subject to a VAT and Income Tax audit in 2011 covering the financial years 2003 to 2009. In response to audit queries, W submitted that the refund returns were as a result zero-rated exports to foreign jurisdictions for which W had paid VAT.

The VAT Audit Team used all domestically available resources to verify that the exports by W had met all the requirements and followed requisite procedures for the exportation of goods from South Africa to foreign jurisdictions as prescribed in domestic legislation. Only a few anomalies were identified majorly relating to a limited number of older export transactions for which no export documentation could be provided. However, to confirm with certainty that all exports for which W had claimed a refund on qualified for VAT zero rate and that W was compliant and not conducting any fraudulent activities, the VAT Audit Team submitted a request to the EOI Unit to send a request to a sample of six recipient jurisdictions that the goods had indeed been received by entities within their jurisdictions. The identified transactions related to exports via sea and no other sources were domestically available to confirm the validity of the transactions.

South Africa has EOI instruments with all the six jurisdictions from which a confirmation was required. The SARS delegated Competent Authority used the available legal instruments to request the relevant treaty partners to confirm that the importers were registered businesses within their jurisdictions and to authenticate the customs documents declared at the South African border posts. SARS attached the customs documentation for the identified transactions to each of the six requests. SARS also requested the annual financial statements of the importers for the relevant financial years to enable the VAT Audit Team to check whether the transactions were reflected.

The six treaty partners submitted partial responses with the last response received within nine months of the first request. As a result of the responses received, the VAT Audit Team issued additional assessments to taxpayer (W) to the value of ZAR 71.56 million (EUR 3.44 million) which included principal tax of ZAR 32.6 million (EUR 1.6 million) and penalties for understating tax payable of ZAR 39 million (EUR 1.9 million).

Box 12 continued...

CASE 2: Exchange of information used to resolve a fraudulent value added tax refund claim

A South African entity (Z) traded in gold jewellery. Documentary proof supplied by Z during an audit revealed that it purchased gold jewellery from three South African suppliers, and exported approximately 6 300 kgs of gold jewellery to another entity (X) in jurisdiction Y between December 2016 and September 2019. Based on the VAT Act, the export of the gold is regarded as a zero-rated supply. Therefore, a taxpayer who buys gold from the domestic market and sells it outside South Africa can claim a refund from SARS for the 15% VAT paid when purchasing the gold from local suppliers (input VAT). The SARS audit team suspected that Z made false exports in order to claim VAT refunds from SARS but sold the gold to local refineries in South Africa.

In order for SARS to authenticate the transaction, confirming the existence of the customer in the partner jurisdiction was vital. The Audit Team performed a search on whether X existed in jurisdiction Y using publicly available information. However, the search revealed that there were entities with similar names, but there was no exact match.

SARS sent a request to jurisdiction Y to confirm whether X was legitimate registered entity and, if so, the nature of the business it conducted and whether it traded during the period under investigation. Jurisdiction Y responded within 120 days indicating that, while the entity was registered, it did not trade during the period under investigation.

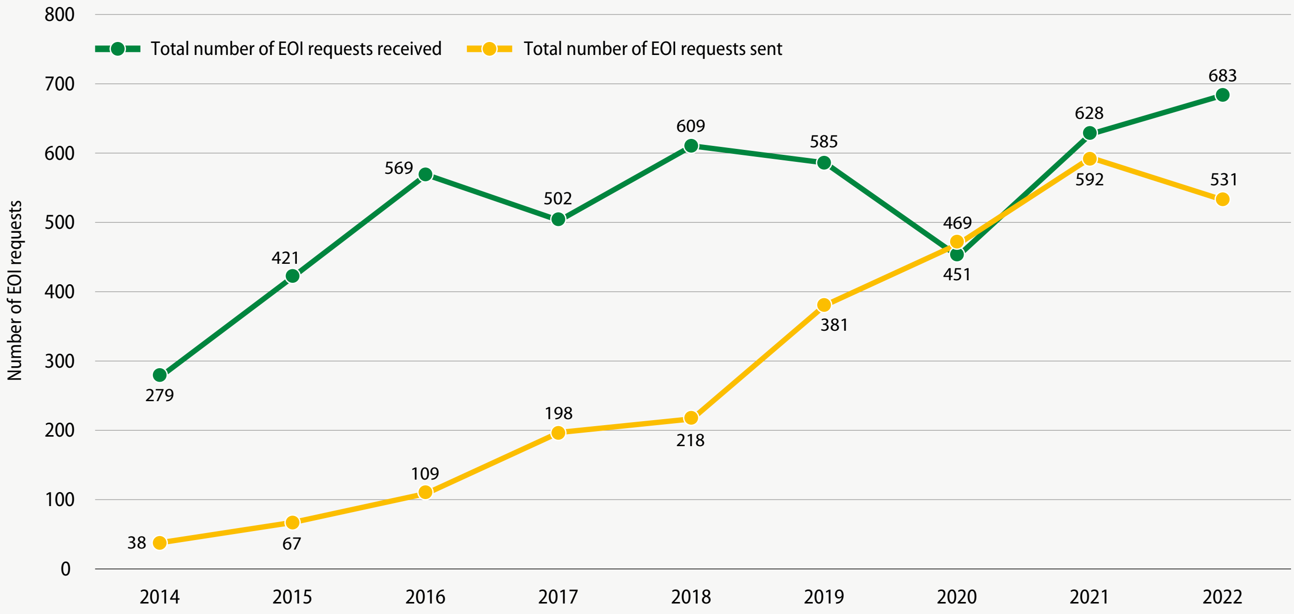
Thanks to information received, SARS auditors collected ZAR 681.8 million (EUR 32.8 million) additional assessments, which included principal tax of ZAR 272.7 million (EUR 13.1 million) and penalty for understating tax payable of ZAR 409.1 million (EUR 19.7 million).

Lessons learnt

The key lessons learnt by the SARS in the two cases is that EOI could be as useful for indirect taxes as it is for direct taxes. It is therefore important to have an EOI instrument, such as the MAAC, that facilities EOI for both direct and indirect taxes. In addition, SARS learnt that it is important to be specific about the information required to finalise the audit as this enables the requested jurisdiction to rapidly respond to the request without seeking additional clarification, therefore saving on time. Moreover, it is equally important for the auditors to demonstrate that they have exhausted all domestically available resources before submitting an EOI request. This includes checking publicly available information in the other jurisdiction. Finally, one of these cases showed the importance of having a wide network of EOI relationships with other countries which enable SARS to send requests and receive information from six jurisdictions regarding the operations of a single taxpayer. Had there been no legal instrument in place the audit would have been abandoned.

Source: The South African Revenue Service

FIGURE 13. **Requests for information sent and received by African countries since 2014**



Note: This graph reflects the situation for 38 African countries that responded to the Tax Transparency in Africa Survey 2023.

Source: Tax Transparency in Africa Survey 2023.

Figure 13 shows that the 38 African countries that responded to the survey made a total of 531 EOI requests in 2022 compared to 592 requests made in 2021. Although African countries became net senders for the first time in 2020, they received more requests than they sent in 2022 and 2021. However, the gap between requests sent and received is narrower than the pre-COVID-19 pandemic levels. Nonetheless, this highlights the need for continuous efforts to make tax auditors and investigators aware of the benefits of using EOI in cases with a cross-border element. It is also of paramount importance for the senior management of tax authorities across the continent to put EOI high on their strategy to tackle tax evasion.

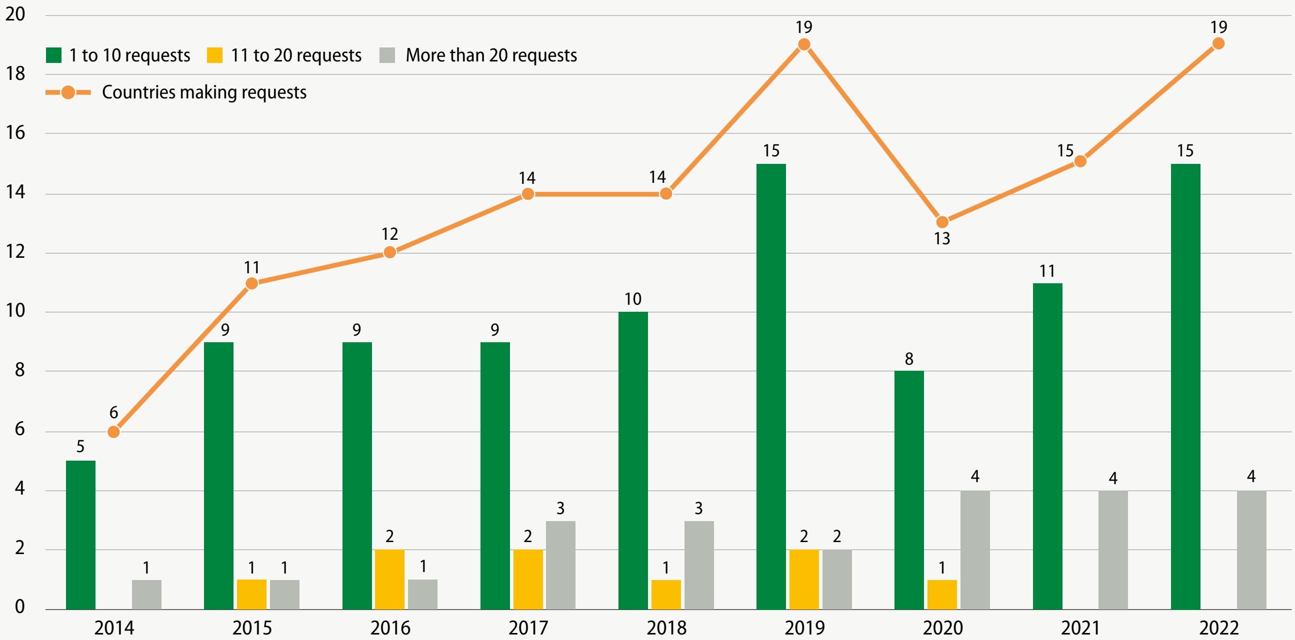
While the total number of EOI requests slightly decreased, the number of African countries making requests rose to 19 in 2022 from 15 in 2021. However, four countries (Kenya, Nigeria, South Africa and Tunisia) accounted for 86% of all requests sent in 2022. Of these four, Kenya (28%) and Tunisia (47%) accounted for over 75% of all requests sent. Out of 16 countries, 12 made between 1 and 10 requests and 4 made more than 20 requests. Out of the 4 countries that sent more than 20 requests, only 2 sent more than 100 requests.

In contrast, the number of incoming EOI requests rose 9% to 683 in 2022 from 628 in 2021 (see Figure 13). A total of 19 African countries received EOI requests in 2022, compared to 18 in 2021. Eight countries (Algeria, Kenya, Mauritius, Morocco, Senegal, Seychelles, South Africa and Tunisia) received 90% of all incoming requests with Mauritius and Morocco accounting for more than 50% of all requests received.

Compared to 2021, the gap between the EOI requests received and made by African countries has expanded further to 152 requests in 2022, but remains lower than the average gap observed for 2014-2019, which stood at 241. While this clearly shows that most of the African countries still receive more requests than they make, seven countries (Kenya, Nigeria, Rwanda, Seychelles, South Africa, Tunisia and Uganda) were net senders of requests, having sent more requests than they received in 2022, compared to six net senders in 2021. This emphasises the need for increased use of the EOI infrastructures by African countries.

Since 2016, EOI between African countries has been increasing. In 2022, 21% of the requests received and 27% of the requests sent were received from or sent to

FIGURE 14. **Number of African countries sending requests for information**



Note: The graph reflects the situation of 38 African countries which provided data.

Source: Tax Transparency in Africa Survey 2023.

other African countries respectively. This shows that more and more African countries have been designated as one of the top five EOI partners for both incoming and outgoing EOI requests. Within the last two years, African countries have mainly been receiving requests from Côte d'Ivoire, Mauritius, and South Africa. As for the main intra-regional partners for outgoing requests, Mauritius and South Africa are the countries that other African countries are most interested in receiving information from. The increasing intra-African EOI is a positive trend that should be encouraged as it demonstrates that EOI is an effective tool to tackle tax evasion from outside and from within the continent. This is a safeguard to the risk of increased tax evasion in the context of AfCFTA.

USE OF AUTOMATIC EXCHANGE OF INFORMATION BY AFRICAN COUNTRIES

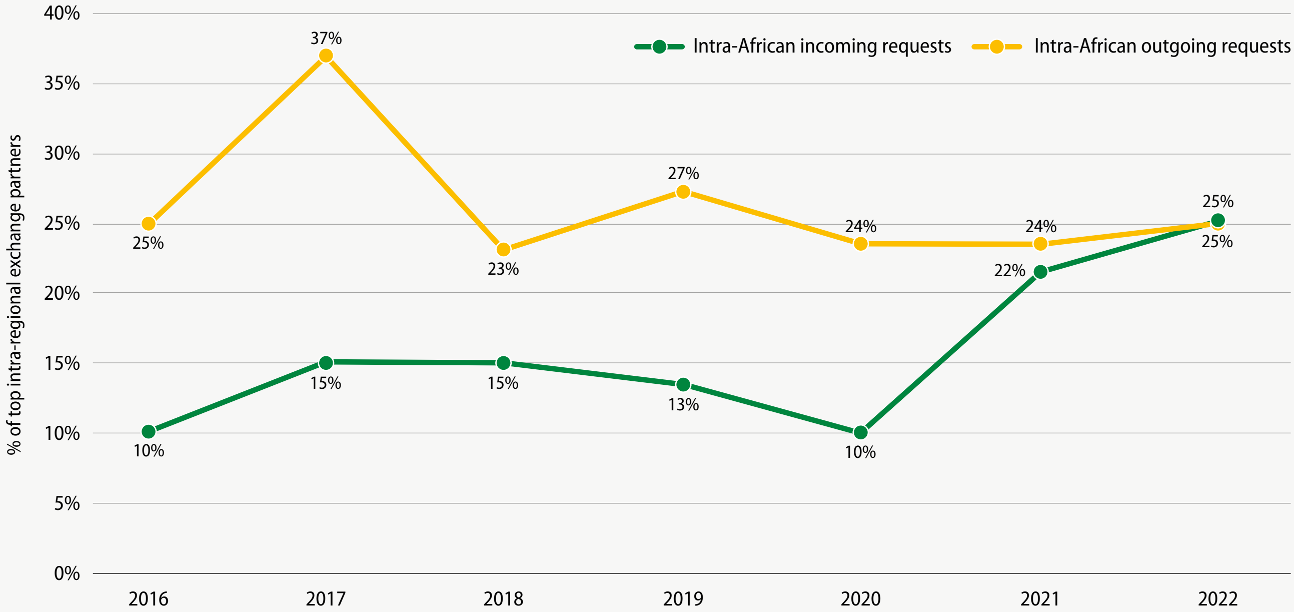
To effectively use CRS data, residence countries receiving information need to match it to their taxpayers' declarations maintained in their domestic databases. Matching rates can therefore serve as an indicator of the quality of the information received, i.e. the higher the matching rates, the more information could be used to detect possible non-compliance with the tax obligations of taxpayers. The CRS data matching rate has significantly improved over the years, to reach 70% worldwide in 2021.[1]

AEOI is complementary to EOIR. The process of matching received information to domestic taxpayer details is fundamental to fully realise the benefits of the AEOI standard. Once the information received is processed, receiving jurisdictions can use it for tax compliance purposes and make specific follow-up requests under the EOIR standard for open tax inquiries. In 2022, Nigeria and South Africa reported making follow up EOIR requests based on CRS data.

The AEOI standard has a powerful deterrent effect, as residents of a country know that information on their financial assets and income in other jurisdictions will be collected and shared, on an automatic basis, with the tax administration of their country of residence. Therefore, many jurisdictions have taken advantage

1. OECD (2020), *Tax Transparency in Africa 2020: Africa Initiative Progress Report*, https://www.oecd.org/tax/transparency/documents/tax-transparency-in-africa-2020.pdf.

FIGURE 15. **Evolution of top-five African exchange partners of African countries**

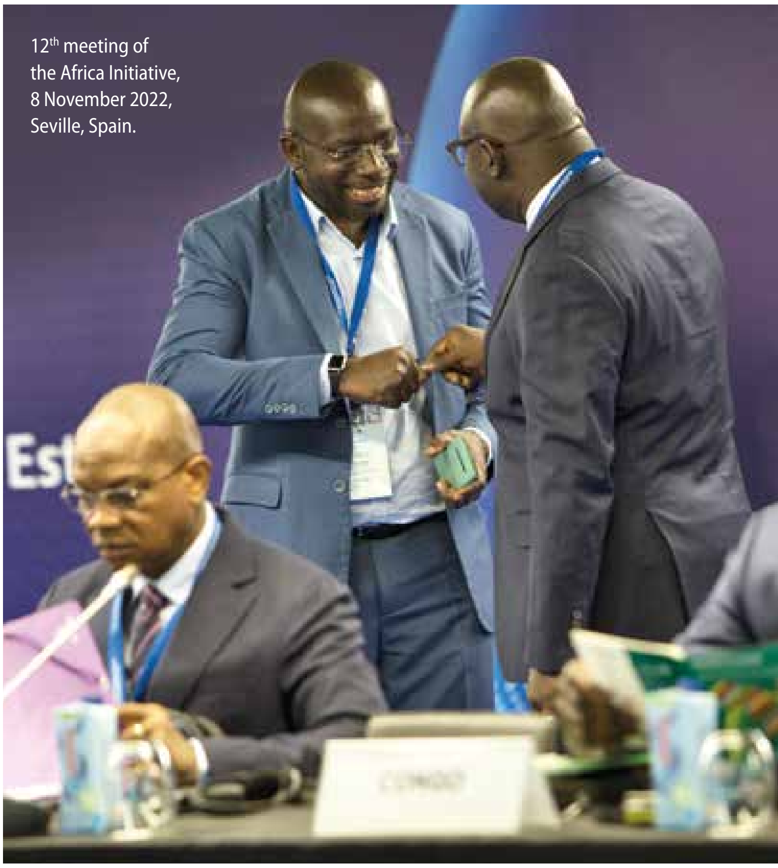


Note: This graph reflects the situation of 38 African countries who responded to the Tax Transparency in Africa Survey 2023. Please note that the number of African countries participating in the survey has significantly increased over years and therefore the sample size varies across years.

Source: Tax Transparency in Africa Survey 2023.

of the implementation of the AEOI standard to launch VDPs prior to their first automatic exchanges, to encourage residents to self-declare financial assets and income held in other jurisdictions and, most importantly, to pay any related taxes due. As presented in previous sections of this report, the results of the AEOI-related VDPs account for a significant proportion of the EUR 114 billion in tax revenue identified by tax administrations worldwide since the move to AEOI.

Of the ten African countries committed to AEOI with a date for their first exchanges, only South Africa and Nigeria have used a VDPs prior to their first automatic exchanges.[2] The remaining seven countries have not made use of VDPs prior to their first automatic exchanges, representing a missed opportunity to take advantage of the deterrent effect of AEOI to enhance voluntary compliance, expand their tax base and collect additional revenue. All African countries committing to start AEOI exchanges by a specific date are encouraged to consider the potential benefits of VDPs prior to their first exchanges.



12th meeting of the Africa Initiative, 8 November 2022, Seville, Spain.

2. Ibid

5 Looking ahead

Since 2014, the tax transparency agenda has greatly advanced in Africa. More remains to be done to ensure the effective implementation of, and benefits from, the standards of transparency and exchange of information in African countries' domestic resource mobilisation efforts.

MAKING A RADICAL CHANGE IN THE USE OF THE EXCHANGE OF INFORMATION ON REQUEST

Only a limited number of African countries are actively using their EOI infrastructures to make requests for information for use in tax audits/investigations with a cross-border elements. During 2023, the Africa Initiative will focus on supporting African countries' efforts to consolidate their EOI infrastructures, to develop strategies, and high-level management commitments to promote and incentivise the use of EOI and to track of its impact on DRM.

UNPACKING THE BENEFIT OF AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION FOR MORE AFRICAN COUNTRIES

African countries are still far from unpacking the full benefits of AEOI, as only a limited number is exchanging information automatically under the CRS with other jurisdictions. During 2023, more African countries will thus be encouraged to consider participating in AEOI. The Africa Initiative will continue raising awareness on the potential of AEOI, building knowledge and providing technical support to help interested African countries to put in place the building blocks essential for AEOI.

African countries, which are already exchanging information automatically, will continue receiving tailored technical assistance to develop and effectively implement a sound compliance strategy to ensure that financial institutions comply with their CRS obligations, to prepare for AEOI peer reviews and to address any gaps identified in the context of the peer review process. Finally, African countries will receive support on the effective use of CRS data to help them fully realise the benefits of AEOI.

STRENGTHENING AFRICAN TAX AUTHORITIES' CAPACITIES TO BENEFIT FROM TAX TRANSPARENCY AND EXCHANGE OF INFORMATION

Knowledgeable and skilled human resources are key to benefitting from the implementation of the tax transparency standards. Enhancing the skills of tax officials on the use of the tax transparency and EOI tools in their daily activities is a critical step towards optimising EOI in DRM.

The Global Forum Secretariat and its partners will continue to organise training events, in different formats, to develop skills in all relevant areas of tax transparency. This includes equipping local tax officials as EOI champions and change agents through the Train the Trainer programme, as well as promoting gender balance through the Women Leaders in Tax Transparency programme. African countries' participation in the ISM network will also be promoted. Moreover, new targeted training and capacity-building initiatives will be considered to enhance the use of EOIR requests in African tax administrations during their audit and investigation processes.

ADVANCING THE USE OF CROSS-BORDER ASSISTANCE IN THE RECOVERY OF TAX CLAIMS

In 2023, the Global Forum Secretariat will continue to build capacities on cross-border assistance in the recovery of tax claims in Africa with a focus on the essential building blocks necessary for effective participation in this form of international co-operation. Regional workshops will be held in collaboration with partner organisations, such as ATAF and CREDAF.

The Global Forum Secretariat will also develop guidance and practical tools to be used by countries interested in putting in place an enabling domestic and international legal framework, as well as establishing operational frameworks for cross-border assistance in the recovery of tax claims, complemented by tailored assistance to interested countries.

6 Annex

Summary of the tax transparency progress by country in 2022

Country	Membership	Technical assistance programme	Implementation of EOIR standard		EOI infrastructure		
			1st round	2nd round	CA delegation	EOI Unit	EOI resources and tools
Algeria	2021	Induction programme	–	–	Yes	Yes	In progress
Angola*	2023	Induction programme-	–	–	Yes	Yes	In progress
Benin	2017	Induction programme	–	Preparation in progress Review in Q4 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 Q4 2023	Yes	Yes	Yes
Cabo Verde	2018	Induction programme	–	Preparation in progress Review in Q3 2024	Yes	Yes	Yes
Cameroon	2012	A la carte	LC (2016)	Review launched in Q1 2023	Yes	Yes	Yes
Chad	2016	Induction programme	–	No action taken Review in Q1 2024	No	No	Yes
Congo (Rep. of the)	2022	Induction programme	–	-	Yes	No	No
Côte d'Ivoire	2016	Induction programme	–	Phase 1 in 2021 Phase 2 in Q4 2023	Yes	Yes	Yes
Djibouti	2017	Induction programme	–	No action taken Review in Q3 2023	-	-	-
Egypt	2016	Induction programme	–	Launched in Q4 2022	Yes	Yes	Yes
Eswatini	2018	Induction programme	–	Preparation in progress Review in Q2 2024	Yes	In progress	Yes
Gabon	2012	A la carte	LC in 2016	Phase 1 in 2022 Phase 2 in Q1 2025	Yes	Yes	Yes
Ghana	2011	A la carte	LC in 2014	PC in 2018- Work in progress to address the deficiencies	Yes	Yes	Yes
Guinea	2019	Induction programme	–	Review in Q3 2024	No	No	No

EOI network and MAAC status Very narrow <10 Narrow <50 Wide <100 Very wide >100	EOI strategy	Effective use of EOI over the last 3 years None Low <10; Medium <50 High <100 Very High >100	Revenue gains identified	AEOI standard	
				Confidentiality and data safeguards framework	AEOI commitment
Narrow	-	Low	No	No action	No
Very narrow Invited to sign in 2022	-	None	No	No action	No
Very wide Deposited ratification instrument in 2023	In progress	None	No	No action	No
Very wide MAAC in force since 2021	In progress	None	No	No action	No
Narrow Deposited ratification instrument in 2022	In progress	Low	Yes	No action	No
Very wide MAAC in force since 2020	In progress	None	No	No action	No
Very wide MAAC in force since 2015	Yes	Medium	Yes	Technical assistance – preliminary assessment in 2019	No
Very narrow MAAC initiated in 2017	No	None	No	No action	No
Very narrow MAAC process not initiated	No	None	No	No action	No
Narrow MAC process not initiated	In progress	None	No	No action	No
Very narrow MAAC process not initiated	-	-	-	No action	No
Wide MAAC process initiated in 2022	-	-	-	No action	Pilot project with UK
Very wide MAAC in force since 2021	No	Low	No	No action	No
Very narrow MAC Ratified in 2016 but not yet deposited	No	None	No	No action	No
Very wide MAAC in force since 2013	In progress	Low	No	Re-assessment scheduled in 2020	First exchange in 2019
Very narrow MAAC process not initiated	No	None	No	No action	No

Annex

Country	Membership	Technical assistance programme	Implementation of EOIR standard		EOI infrastructure		
			1st round	2nd round	CA delegation	EOI Unit	EOI resources and tools
Guinea-Bissau	Non member	–	–	–	No	No	No
Kenya	2010	A la carte	LC in 2016	Phase 1 in 2021 Phase 2 launched in Q4 2022	Yes	Yes	Yes
Lesotho	2013	A la carte	LC in 2016	Phase 1 launched in Q2 2022	Yes	Yes	Yes
Liberia	2009	A la carte	Legal framework appropriate in 2016	PC in 2020 Work in progress to address the deficiencies	Yes	Yes	Yes
Madagascar	2018	Induction programme	–	Preparation in progress Review in Q4 2023	No	No	No
Malawi	Non-Member	–	–	–	No	No	No
Mali	2020	Induction programme	–	Preparation in progress Review in Q3 2024	No	No	No
Mauritania	2012	A la carte	LC in 2016	Review launched in Q1 2023	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	LC in 2022	Yes	Yes	Yes
Namibia	2019	Induction programme	–	Preparation to be launched Q3 2024	No	Yes	No
Niger	2015	Induction programme	–	No action taken Review in Q1 2024	Yes	No	No
Nigeria	2011	A la carte	LC in 2016	LC in 2023	Yes	Yes	Yes
Rwanda	2017	Induction programme	–	Preparation in progress Review in Q4 2023	Yes	Yes	Yes
Senegal	2012	A la carte	LC in 2016	Preparation in progress Review in Q3 2023	Yes	Yes	Yes
Seychelles	2009	A la carte	LC in 2016	PC in 2020	Yes	Yes	Yes

EOI network and MAAC status Very narrow <10 Narrow <50 Wide <100 Very wide >100	EOI strategy	Effective use of EOI over the last 3 years None Low <10; Medium <50 High <100 Very High >100	Revenue gains identified	AEOI standard	
				Confidentiality and data safeguards framework	AEOI commitment
Very narrow MAAC process not initiated	No	None	No	No action	No
Very wide MAAC in force since 2020	Yes	Very High	Yes	Technical assistance on going	First exchange intended in 2024
Very narrow MAAC initiated in 2017	No	Low	No	No action	No
Very wide MAAC in force since 2021	No	Low	No	Technical assistance – preliminary assessment in 2018	No
Very narrow Signed MAAC in 2022 but not yet deposited	No	None	No	No action	No
Very narrow MAAC process not initiated	No	None	No	No action	No
Narrow MAAC process not initiated	No	Low	No	No action	No
Very wide MAAC in force since 2022	No	None	No	No action	No
Very wide MAAC in force since 2015	No	Medium	No	Successfully assessed	First exchange in 2018
Very wide MAAC in force since 2019	In progress	Medium	No	Technical assistance – preliminary assessment on going	First exchange intended in 2023
Very wide MAAC in force since 2021	In progress	None	No	No action	No
Very narrow MAAC process not initiated	No	None	No	No action	No
Very wide MAAC in force since 2015	In progress	Very High	No	Technical assistance – preliminary assessment in 2020	First exchanges in 2020
Very wide MAAC in force since 2022	No	Low	No	Technical assistance – preliminary assessment started	First exchanges intended in 2025
Very wide MAAC in force since 2016	No	Medium	Yes	Technical assistance – preliminary assessment started	Under consideration
Very wide MAAC in force since 2015	No	Medium	No	Successfully assessed	First exchanges in 2017

Country	Membership	Technical assistance programme	Implementation of EOIR standard		EOI infrastructure		
			1st round	2nd round	CA delegation	EOI Unit	EOI resources and tools
Sierra Leone*	2023	–	–	Not yet scheduled	Yes	No	No
South Africa	2009	A la carte	C in 2013	LC in 2022	Yes	Yes	Yes
Tanzania	2015	Induction programme	–	Phase 1 in 2021 Phase 2 in Q3 2024	No	Yes	Yes
Gambia	Non-member	–	–	–	Yes	No	No
Togo	2016	Induction programme	-	Phase 1 in 2023 Phase 2 in Q3 2026	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*	2023	Induction programme	–	Not yet scheduled	No	No	No

* These countries joined the Global Forum in 2023. The table therefore does not reflect any progress made in respect to them in 2022.

EOI network and MAAC status Very narrow <10 Narrow <50 Wide <100 Very wide >100	EOI strategy	Effective use of EOI over the last 3 years None Low <10; Medium <50 High <100 Very High >100	Revenue gains identified	AEOI standard	
				Confidentiality and data safeguards framework	AEOI commitment
Very narrow MAAC process not initiated	No	Low	No	No action	No
Very wide MAAC in force since 2014	Yes	High	Yes	Successfully assessed	First exchanges in 2017
Very narrow MAAC process not initiated	In progress	Low	No	No action	No
Very narrow MAAC process not initiated	No	None	No	No action	No
Narrow MAAC signed in 2020	In progress	None	Yes	No action	No
Very wide MAAC in force since 2014	Yes	Very high	Yes	Technical assistance – preliminary assessment started	First exchanges intended in 2024
Very wide MAAC in force since 2016	Yes	High	Yes	Technical assistance – preliminary assessment started	First exchanges intended in 2023
Very narrow MAAC process not initiated	No	None	No	No action	No
Very narrow MAAC process not initiated	No	Low	No	No action	No

African Union

For more information:

www.au.int

AUC-ETIM@africa-union.org

@_AfricanUnion

AFRICAN TAX ADMINISTRATION FORUM
FORUM SUR L'ADMINISTRATION FISCALE AFRICAINE

For more information:

www.ataftax.org

@ATAFtax

OECD
BETTER POLICIES FOR BETTER LIVES

For more information:

www.oecd.org/tax/transparency

gftaxcooperation@oecd.org

@OECDtax | #TaxTransparency

OECD Tax