GLOBAL FORUM ON
TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Tax Transparency in Africa 2022

Africa Initiative Progress Report

African Union

AFRICAN TAX ADMINISTRATION FORUM
FORUM SUR L'ADMINISTRATION FISCALE AFRICAINE

OECD
BETTER POLICIES FOR BETTER LIVES

The Africa Initiative, its members and partners

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

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

The Africa Initiative is a partnership between the Global Forum, its African members and a number of regional and international organisations and development partners.

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 Africa Initiative is open to all African countries[1] and currently counts 33 member jurisdictions. It is supported by 15 partners and donors. The Africa Initiative members meet every year to take stock of the progress made and to reflect on the remaining challenges.

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

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

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MEMBERS OF THE AFRICA INITIATIVE

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

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PARTNERS AND DONORS OF THE AFRICA INITIATIVE

African Development Bank, African Tax Administration Forum, African Union Commission, *Cercle de réflexion et d'échange des dirigeants des administrations fiscales*, the European Union, France, Germany, International Finance Corporation, Netherlands, Norway, Senegal, Switzerland, the United Kingdom, West African Tax Administration Forum and World Bank Group.

African
Union

Foreword

To achieve "The Africa We Want", it is undeniable that the mobilisation of domestic resources is key to increase public revenue, in particular through taxation and the reduction of illicit financial flows, especially in the current context marked by various factors, including rising debt and sustainability risks faced by several African countries, the impact of the COVID-19 pandemic, and the consequences of the war in Ukraine on African economies. Domestic resource mobilisation is a means to meet the financial needs necessary to enable countries to own and flexibly design and implement policies, programs and projects to support national sustainable development efforts.

As an observer of the Global Forum on Transparency and Exchange of Information (Global Forum), the African Union Commission (AUC) is strengthening its efforts, in collaboration with partners and stakeholders, to ensure that African countries are equipped to benefit from global improvements in tax transparency, through the Africa Initiative.

The 2022 Tax Transparency in Africa report takes stock of the state of 38 Member States of the African Union and details their progress in implementing the tax transparency and exchange of information (EOI) standards and the resulting benefits. It also reports on the capacity building actions of tax administrations at both national and international level. It is evident that significant progress has been recorded compared to 2020, in particular by the accession of new members to the Initiative and the increasing use of the demand for information by African countries which has translated into additional tax revenues. Of note is the continued strengthening of the EOI infrastructure, with an additional country joining the Convention on Mutual Administrative Assistance in Tax Matters, bringing the total number of African countries in the Convention to twenty-two. Additionally, for most countries covered in the 2022 edition of the report, the competent authority now lies with the tax administration, an important consideration for an efficient and effective response in executing the EOI function.

Chapter 1 presents the Africa Initiative and its governance and also provides a link among tax transparency, Illicit Financial Flows, and development. Chapter 2 presents the main achievements in tax transparency in Africa. Chapter 3 highlights the increased commitment of African countries to the tax transparency standards, while chapter 4 underlines efforts to strengthen EOI infrastructure. Chapter 5 analyses the link between the increased use of tax transparency and EOI and revenue mobilisation, while Chapter 6 concludes the report and proposes a roadmap for advancing the tax transparency agenda in Africa by the Africa Initiative. Chapter 7 provides a summary of the progress on tax transparency by country in 2021.

On behalf of the AUC, I would like to thank all parties involved in the publication of this report. I invite the African community and our development partners to use this report as a source of information that can help them to reflect and act together to ensure that "Africa takes full responsibility for financing her development" as espoused in Agenda 2063.

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

African Union Headquarters in Addis Ababa

Preface

Tax Transparency in Africa 2022 (TTiA 2022) is the fourth 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 the key product of the Africa Initiative launched by the Global Forum, its African members, partners and donors to unlock the potential of EOI for African countries.

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The TTiA 2022 report comes at a time when governments are working to revive their economies, which have been scarred in recent years by the COVID-19 pandemic. More than ever, domestic resource mobilisation has become vital for governments and citizens. In this context, the fight against cross-border tax evasion is crucial, not only as it expands the tax base and increases tax revenue, but also as it protects the integrity and fairness of tax systems. EOI is now well established as an effective tool to tackle tax evasion and other IFFs.

TTiA 2022 shows how African countries are continuing to build their infrastructures, systems and capacity and to use EOI to detect cross-border tax fraud and evasion. More African countries are also joining the tax transparency agenda, which shows the increasing political attention accorded to EOI on the African continent. Progress on both the political buy-in and the capacity-building fronts is supported by a coalition of donors and partners working together under the Africa Initiative.

Thirty-eight African countries have provided inputs to this report, the highest number since its first edition. As for previous editions, the report provides statistical information on the implementation of the standard on exchange of information on request (EOIR standard) and the standard on automatic exchange of financial account information (AEOI standard) in Africa. The results are remarkable. For example, since 2014, the number of EOI requests sent by African countries has increased 15 fold. Over the same period, nine African countries have collected EUR 233 million using EOIR. The implementation of the AEOI standard is also progressing on the continent, with two more African countries joining the seven others committed to implementing it by a specific date in 2021.

For the first time, TTiA 2022 discuss the use of cross-border assistance in the recovery of tax claims by African countries. This follows the fact-finding exercise carried out by the Africa Initiative in 2021 to ascertain the position of African countries in using this form of international tax co-operation, which has a close link with EOI. The improvements in EOI enable tax administrations to trace taxpayers' assets held abroad that may be used for tax recovery through cross-border assistance.

As the publication of the TTiA 2022 marks the fifth anniversary of the Yaoundé Declaration, which calls for strengthened collaboration among African governments and continental institutions on the tax transparency agenda, we take this opportunity to thank all the members, partners and donors of the Africa Initiative for their roles in advancing this agenda in Africa. We renew our commitment to continue to work together and enhance our collaboration, in order to help African countries address the remaining challenges they face in implementing and benefitting from the tax transparency standards.

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

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

Logan Wort
Executive Secretary
African Tax Administration
Forum

Acknowledgements

The fourth 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 2022 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 2021. The Initiative is supported by donors and partner organisations.

The Global Forum Secretariat would like to acknowledge with much appreciation the Department for Economic Development, Trade, Industry and Mining of the African Union Commission,[2] the African Tax Administration Forum[3] and the Governance and Public Financial Management Coordination Office of the African Development Bank Group for their contributions to this report. The Global Forum Secretariat also thanks the World Bank Group, the *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales* and the West African Tax Administration Forum for promoting the tax transparency agenda in Africa.

The authors are also immensely grateful to the donors who contribute to the funding of the Africa Initiative and the Global Forum's technical assistance to African countries on tax transparency and exchange of information. These include the European Union, France, Germany, Netherlands, Norway, Senegal,[4] 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 which provided data by responding to the Africa Initiative questionnaire, including non-members of the Global Forum. This data and responses were analysed and forms 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.[5]

1. This report was prepared by the following staff of the Global Forum Secretariat: Henrique Alencar, Irene Bashabe, Clement Migai, Robin Pollet, Ervice Tchouata and Raynald Vial, under the supervision of Hakim Hamadi, Head of the Capacity-Building and Outreach Unit, and Zayda Manatta, Head of the Global Forum Secretariat.

2. Ndinaye Sekwi Charumbira and Rumbidzai Treddah Manhando under the Supervision of Dr Yeo Dossina, Head of Economic Policy and Sustainable Development, Department of Economic Development, Trade, Industry and Mining.

3. In particular, the authors would like to thank Mary Baine, Thulani Shongwe, Ephraim Murenzi, RC Terblanche (ATAF expert), Nana Akua Amoako Mensah (ATAF expert) under the leadership of Logan Wort.

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

5. In addition to the 38 African jurisdictions that provided data, the authors would particularly like to thank for their specific contributions: for Botswana (Boikanyo Mathipa, Keabofe-Medupe and Tutu Bakwena); for Kenya (Florence Mak'Osewe, Beth Mwobobia and Felix Osiemo); for Seychelles (Patrick Payet, Veronique Herminie and Fred Morel); the South African Revenue Service (SARS); for Uganda (Margaret Nakanwagi, Nangalama Phioner and Balikuddembe Joseph).

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Abbreviations and acronyms

AEOI	Automatic Exchange of Financial Account Information
AfDB	African Development Bank
AML	Anti-money laundering
ATAF	African Tax Administration Forum
AU	African Union
BURS	Botswana United Revenue Service
CA	Competent Authorities
CBO	Capacity Building and Outreach Unit of the Global Forum Secretariat
CREDAF	Cercle de Réflexion et d'Échange des Dirigeants des Administrations fiscales
CRS	Common Reporting Standard
DRM	Domestic Resource Mobilisation
EARA-TC	East African Revenue Authorities Technical Committee
ECOWAS	Economic Community of West African States
EOI	Exchange of information
EOIR	Exchange of Information on Request
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
IDB	Inter-American Development Bank
IFFs	Illicit Financial Flows
ISM	Information Security Management
KRA	Kenya Revenue Authority
MAAC	Convention on mutual administrative assistance in tax matters
OECD	Organisation for Economic Co-operation and Development
PRG	Peer Review Group
SARS	South African Revenue Service
SDG	Sustainable Development Goals
SRC	Seychelles Revenue Commission
STC	African Union Specialised Technical Committee
TJNA	Tax Justice Network Africa
ToR	Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015
TTiA	Tax Transparency in Africa
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
URA	Uganda Revenue Authority
VDP	Voluntary Disclosure Programmes
WAEMU	West Africa Economic and Monetary Union
WATAF	West African Tax Administration Forum
WBG	World Bank Group

Executive summary

Published annually, the *Tax Transparency in Africa* report is a key output of the Africa Initiative. It is a unique source of information for decision-makers and citizens providing comparable statistics on tax transparency as one of African countries' responses to the challenge of illicit financial flows, estimated to be in the range of USD 50-80 billion (EUR 48-77 billion)* annually for the continent.

The 2022 edition includes information provided by 38 African countries,** the highest number since the publication of the first edition of the report in 2019: Algeria, Angola, Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Chad, Congo, 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.

* This document uses the exchange rate USD/EUR as on 11 May 2022.
** All the Africa Initiative members (except Guinea) and six non-members (Angola, Congo, Gambia, Malawi, Sierra Leone and Zimbabwe) responded to the questionnaire.

Tax Transparency in Africa 2022 shows significant improvement 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) during 2021 despite the impact of the COVID-19 pandemic, which continued to be felt.

Progress achieved under the leadership of the Chair (Mr Githii Mburu, Commissioner General, Kenya Revenue Authority) and Vice-Chair (Mr Edward Kieswetter, Commissioner, South African Revenue Service) was recognised by delegates who agreed to extend their mandates for another year. In 2021, the Africa Initiative intensified efforts to build strong political buy-in aimed at unpacking the benefits of tax transparency and EOI for all African countries. At the continental level, strategic consultations with the African Union Commission, a key partner, were held to advance tax transparency as a tool for combating IFFs and increasing domestic resource mobilisation among its member states. In addition, the Initiative's leadership took active roles to champion the tax transparency agenda at high-level events in Africa. At the regional level, collaboration was initiated with the East African Revenue Authorities Technical Committee; the West African Tax Administrators Forum was welcomed as the 20th Global Forum observer; and awareness continued to be raised within the Economic Community for West African States and Mauritania with the support of the European Union.

The launch of the *Tax Transparency in Africa 2021* in May last year was a cornerstone of the awareness-raising strategy, showing the progress achieved and the benefits drawn from the implementation and effective use of the standards of transparency and EOI. For the first time, African countries were net senders of requests for information, a promising signal that the culture of EOI is progressing in the region.

The Africa Initiative also took concrete steps to make progress in the use of cross-border assistance in the recovery of tax claims. As a first step of this strategic axis for African countries, a dedicated working group delivered a comprehensive report on the current situation and the conditions necessary for successful co-operation in this area. This report was welcomed by the Africa Initiative members, paving the way for further work in 2022 to put in place the essential building blocks for enhancing the use of this form of administrative assistance in Africa.

The year 2021 heralded improved commitment by African countries to the tax transparency agenda. Algeria joined the international efforts to combat tax evasion as the 163rd member of the Global Forum and the 33rd member from Africa. African countries continued to take ownership of the tax transparency agenda with Algeria and Rwanda joining the Yaoundé Declaration, which is now endorsed by 33 countries and the African Union Commission.

Since 2014, EOIR alone has enabled nine African countries to identity over EUR 233 million (USD 244 million) in additional revenue.

Two more African countries (Uganda and Rwanda) committed to start automatic exchange of financial account information (AEOI) by 2023 and 2024 respectively. They will join four other countries (Mauritius, Nigeria, Seychelles and South Africa) who all exchanged information in 2021 on a reciprocal basis and Ghana (who exchanged information in 2021 on a non-reciprocal basis) as well as two others (Kenya and Morocco) who are committed to start their first exchanges in 2022. The growing interest of African countries for this form of co-operation will be met by the support of the Global Forum Secretariat and its partners to help them along the implementation journey.

African countries' EOI infrastructure continued to mature. Their EOI networks now reach 4 135 bilateral relationships with a 22nd African country joining the Convention on Mutual Administrative Assistance in Tax Matters (MAAC). Virtually all African countries that provided information for this report (94%) have delegated the competent authority powers to the tax administration and established EOI units. Most of them have formal procedures for handling EOI requests (69%) and put in place tracking systems to ensure they meet their commitments to the international standard (59%). The number of staff fully dedicated to EOI also increased in 2021. In 2021, African countries received more requests than they sent, unlike in 2020 where

they were net senders. However, the number of requests sent increased by 26%, while the number of countries sending requests rose up from 13 to 15. In addition, the gap between the number of requests sent and the number of requests received is narrowing compared to previous years. Nonetheless, the progress achieved in 2021 remains uneven. Four countries alone accounted for 92% of the requests sent by African countries in 2021, continuing the trend from the previous year.

The increasing use of request for information by African countries has translated into additional tax revenue. In 2021, three African countries identified EUR 37.2 million (USD 38.9 million) of additional tax as a direct consequence of the requests sent. Since 2014, EOIR alone has enabled nine African countries to identity over EUR 233 million (USD 244 million) in additional revenue. In total, since 2009, African countries have identified over EUR 1.2 billion (USD 1.3 billion) of additional revenues (tax, interest and penalties) through offshore tax investigations including EOIR, and voluntary disclosure programmes launched prior to the beginning of the implementation of the AEOI standard.

The results are encouraging, but important challenges remain: the progress in the use of tax transparency and EOI is uneven in Africa. Older members of the Global Forum are, in general, at an advanced stage of implementation of the standards whereas new members look to put in place the basics. Similarly, despite a growing interest on tax transparency to mobilise domestic revenue, it is sparingly used in countries that are not members of the Global Forum and contributed to this report. Joining the global effort in implementing and making effective use of the EOI infrastructure and network would provide significant benefits for these countries.

Intense technical assistance was provided to African countries to reach this progress. Sixteen African countries are benefitting from a comprehensive support programme. In addition, 16 other countries benefitted from tailored assistance to address to their specific needs. Twelve training events were organised for African countries and attended by more than 1 500 officials. In addition to this unprecedented number, the "Train the Trainer" pilot programme where tax officials are trained by the Global Forum Secretariat in EOI to train their fellow tax administration colleagues, overpassed the objective with over 900 tax officials trained by the participants to this course.

Looking forward, the Africa Initiative will maintain a high-level political dialogue on tax transparency and EOI in Africa to prepare African countries for AEOI and work towards enabling them to make effective use of information received through EOIR and AEOI. It will also aim at enhancing the capacities of African countries on EOI, including through the creation of a network of EOI ambassadors to take ownership of the tax transparency agenda and working on emerging challenges in tax co-operation, such as facilitating effective cross-border assistance in tax collection.

Tax transparency in Africa at a glance

The Africa Initiative has developed and expanded its capacity-building activities to ensure transparency and EOI benefit African countries. These achievements are reflected in the fact that 22 African countries have joined the Convention on Mutual Administrative Assistance in Tax Matters (MAAC) and the progress seen in 2020 continued in 2021, with 383 new EOI relationships created as of December 2021. Furthermore, 9 African countries are implementing automatic exchange of financial account information (AEOI) and African countries have obtained successful outcomes from their peer reviews on transparency and exchange of information on request (EOIR). This has translated into increased revenues. African countries identified more than EUR 37.2 million (USD 38.9 million) in additional revenues due to EOIR in 2021. In total, 9 African countries have identified over EUR 233 million (USD 244 million) of additional revenue from EOIR alone since 2014. Since 2009, EOI has enabled African countries to identify over EUR 1.2 billion (USD 1.3 billion) of additional revenue (tax, interests and penalties) through offshore tax investigations including EOIR and voluntary disclosure programmes (VDPs) launched prior to the beginning of the implementation of the AEOI standard.

33 Members of the Africa Initiative

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

Donors and partners of the Africa Initiative

Partners: African Development Bank Group, African Tax Administration Forum, African Union Commission, *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales*, West African Tax Administration Forum and World Bank Group.

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

Africa in the Global Forum

- 33 African countries are members of the Global Forum (+16 since 2014).
- 61% of African countries are members (20% of the Global Forum membership).
- AU Commission, ATAF, AfDB and WATAF are observers.

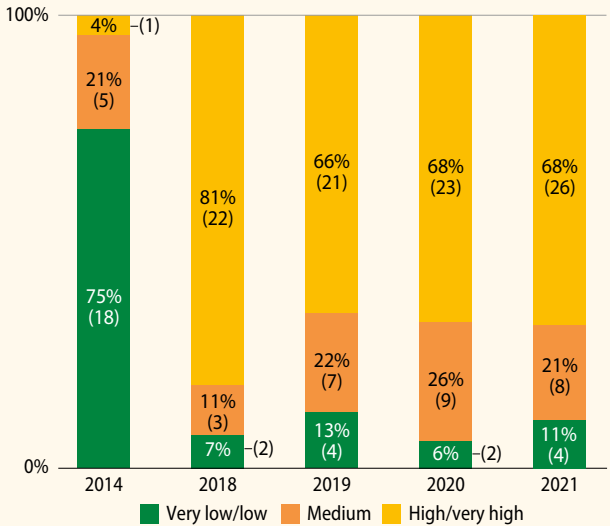
Technical assistance figures in Africa

- 16 African countries are benefitting from an intensive mentoring programme (Induction Programme): Algeria, Benin, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Guinea, Madagascar, Mali, Namibia, Niger, Rwanda, Tanzania and Togo.
- 29 African countries supported in 2021 with training events attended by close to 1 500 officials.

EOIR implementation in Africa

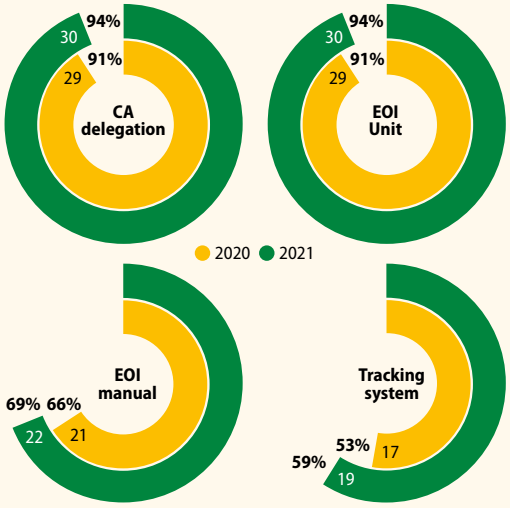
EOI remains a priority for African tax authorities. However, awareness is still needed in recent members.

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



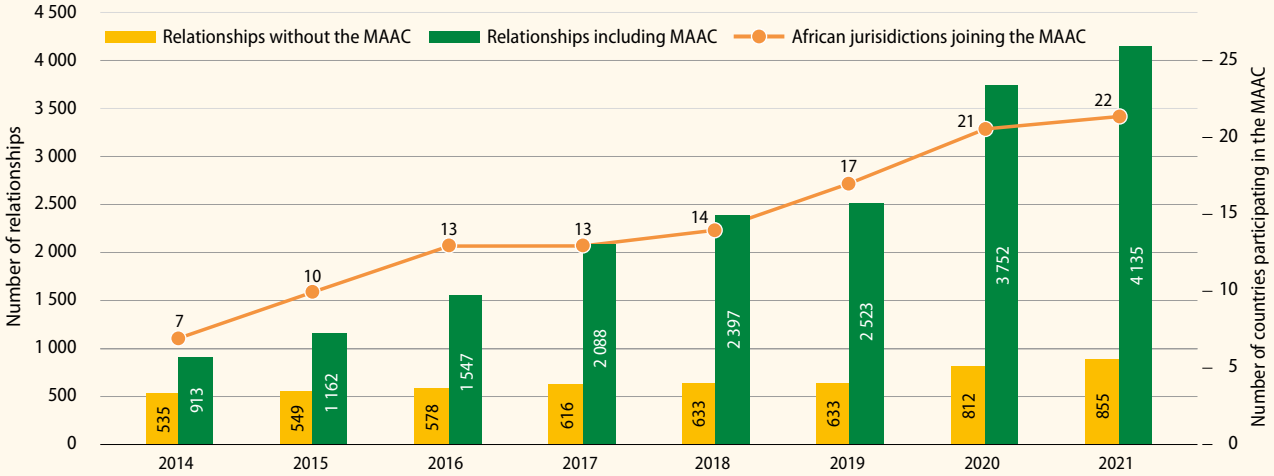
Most of the African members have set up the **core elements for effective EOI**. Work is ongoing with the recent members to fill the gap.

Share of countries with core elements in place



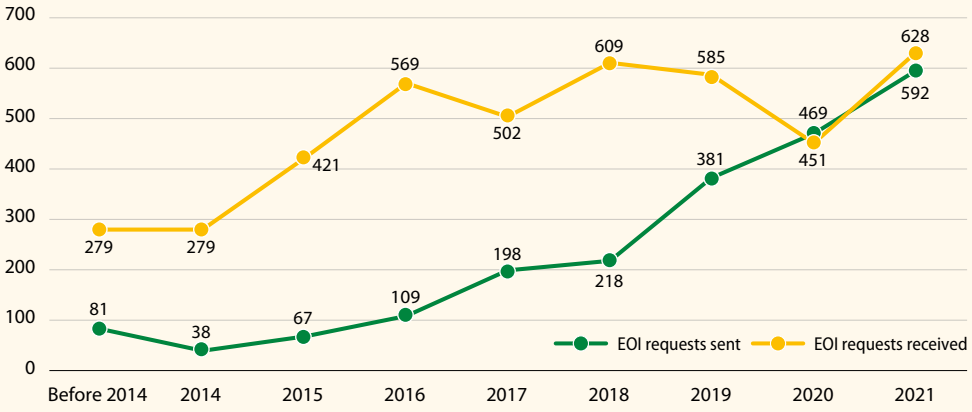
EOI relationships with non-African countries are rapidly increasing with more African countries joining the MAAC.

Number of relationships for exchange of information created by African countries since 2014



The number of EOI requests sent by African countries is increasing steadily (+26% in 2021, compared to 2020). In 2021, African countries received more requests than they sent. However, the gap between the number of requests sent and received is narrowing compared to previous years. Most African countries are still behind their potential and more efforts need to be put into the operationalisation of EOI.

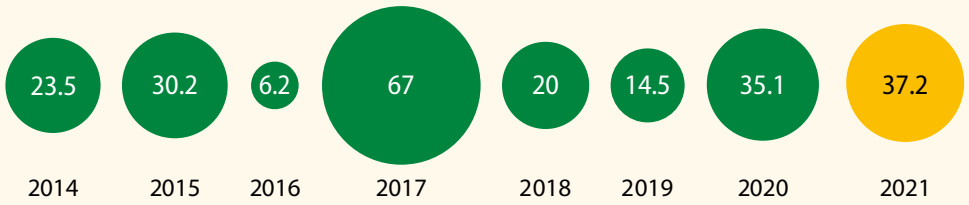
Requests for information sent and received by African countries since 2014



Revenues identified

Three African countries reported identifying **EUR 37.2 million (USD 38.9 million) in additional taxes** collectively as a result of EOIR in 2021.

Revenues identified as a result of exchange of information on request since 2014, in EUR (millions)



African countries have identified **over EUR 233 million (USD 244 million) of additional revenue from EOIR since 2014**. In total, since 2009, EOI has enabled African countries to identify **over EUR 1.2 billion (USD 1.3 billion) of additional revenue** (tax, interests and penalties) through offshore tax investigations including EOIR and voluntary disclosure programmes launched prior to the beginning of the implementation of the AEOI standard.

AEOI implementation in Africa

2017	Seychelles South Africa
2018	**Mauritius** Seychelles South Africa
2019	**Ghana** Mauritius Seychelles South Africa
2020	Ghana Mauritius **Nigeria** Seychelles South Africa
2021	Ghana Mauritius Nigeria Seychelles South Africa
2022 (Expected)	Ghana **Kenya** Mauritius **Morocco** Nigeria Seychelles South Africa
2023 (Expected)	Ghana Kenya Mauritius Morocco Nigeria Seychelles South Africa **Uganda**
2024 (Expected)	Ghana Kenya Mauritius Morocco Nigeria **Rwanda** Seychelles South Africa Uganda

Consideration for a date of first exchanges: Senegal & Tunisia*

* On 5 January 2022 Tunisia committed to begin first exchanges in 2024

1 An African agenda on tax transparency

"Enhancing domestic resources mobilisation is at the heart of the governments' efforts to address the effects of the COVID-19 pandemic and improve the lives of citizens. Over the past seven years, the Africa Initiative has been a catalyst for change in the understanding and use of exchange of information as a tool for combating tax evasion and other illicit financial flows and increase tax revenues. The results reported in this fourth edition of the Tax Transparency in Africa report show that we are on the right track and our efforts should continue."

Maria José Garde, Chair of the Global Forum

There is a strong link between tax transparency, the fight against illicit financial flows (IFFs) and development. This link is even stronger in the context of the African continent, hence the need for a specific agenda on these issues.

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

IFFs deprive countries of the much-needed resources for their development. While definitions may vary, IFFs are broadly accepted as cross-border financial transfers with illegal origin or destination. They are "*generated by methods, practices and crimes aiming to transfer financial capital out of a country in contravention of national or international laws*".[1] IFFs are "*money that is illegally earned, used or moved and which crosses an international border*"[2] and, as such, represent an important obstacle to international development efforts.

The impressive amount of losses due to tax evasion and other IFFs has a direct impact on the development agenda in the region.

IFFs are a concern to governments worldwide, being a significant cause for revenue loss and undermining trust in the tax system, with a particularly significant impact on developing countries' domestic resource mobilisation (DRM) and development agenda. While the COVID-19 crisis reinforced the need for additional revenue, it may disrupt the efforts of authorities to tackle tax evasion and other forms of IFFs, as they face competing priorities.

Africa is particularly hard hit by IFFs due to their intensity and to the amount of resources it is deprived of. Numerous publications over recent years have highlighted the heavy impact of IFFs on Africa and identified it as one of the main obstacles to the region's development.[3] In 2015, the seminal report by the High-Level Panel on IFFs from Africa highlighted corruption, tax evasion and other criminal activities as the major components of IFFs from Africa, estimating an annual impact of at least EUR 47 billion (USD 50 billion) from IFFs.[4]

Ensuing reports from the African Union Commission (AU Commission) and the United Nations Trade and Development Conference (UNCTAD) also focused on quantifying the scale of IFFs from Africa. A 2019 report from the AU Commission estimated the amount between USD 50-80 billion (EUR 48-77 billion) annually,[5] while in 2020 the UNCTAD identified losses at USD 88.6 billion (EUR 85.1billion) annually.[6] More recently, an OECD report estimated that South Africa alone loses between EUR 3.3 and 4.7 billion (USD 3.4-4.9 billion) every year through IFFs.[7]

The impressive amount of losses due to tax evasion and other IFFs has a direct impact on the development agenda in the region. Pre-COVID-19 estimations set Africa's Sustainable Development Goal (SDG)'s financing gap at around USD 200 billion (EUR 192 billion) per year. This gap is certainly bigger today as a consequence of the pandemic.[8] As of early 2021, the SDG gap in developing countries was estimated to have increased between 50% (totalling USD 3.7 trillion or EUR 3.6 trillion) and 70% (totalling USD 4.2 trillion or EUR 4 trillion) in 2020.[9] Effectively curbing IFFs in the region would bridge a large share of this financing gap.

1. OECD (2014), *Illicit Financial Flows from Developing Countries: Measuring OECD Responses*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264203501-en.
2. Global Financial Integrity (2019), *Illicit Financial Flows to and from 148 Developing Countries: 2006-2015*, available at https://www.gfintegrity.org/wp-content/uploads/2019/01/GFI-2019-IFF-Update-Report-1.29.18.pdf.
3. OECD / Global Forum (2021), *Tax Transparency in Africa 2021: Africa Initiative Progress Report*. https://www.oecd.org/tax/transparency/documents/Tax-Transparency-in-Africa-2021.pdf.
4. 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.
5. AU Commission (2019), *Domestic Resource Mobilization: Fighting against Corruption and Illicit Financial Flows, AUC Publishing*, Addis Ababa, available at https://au.int/en/documents/20190905/domestic-resource-mobilization-fighting-against-corruption-and-illicit-financial and https://au.int/sites/default/files/documents/37326-doc-k-15353_au_illicit_financial_flows_devv10_electronic.pdf.
6. UNCTAD (2020), *Economic Development in Africa Report 2020, Tackling Illicit Financial Flows for Sustainable Development in Africa*, available at https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf.
7. OECD (2022), *Assessing Tax Compliance and Illicit Financial Flows in South Africa*, OECD Publishing, Paris, https://doi.org/10.1787/e8c9ff5b-en.
8. OECD (2020), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, OECD Publishing, Paris, https://doi.org/10.1787/e3c30a9a-en.
9. OECD / UNDP (2021), *Closing the SDG Financing Gap in the COVID-19 era, Scoping note for the G20 Development Working Group*, available at https://www.oecd.org/dev/OECD-UNDP-Scoping-Note-Closing-SDG-Financing-Gap-COVID-19-era.pdf.

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

Exchange of information on request

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 beneficial ownership) of account holders 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.

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.

Over 370 000 requests for information have been received by Global Forum members since 2009, enabling the identification or collection of at least EUR 11 billion (USD 11.5 trillion) in additional tax.[b]

Automatic exchange of financial account information

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 Common Reporting Standard (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 121 jurisdictions are committed to exchanging financial account information automatically by 2024.[c]

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:[d]

- **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[e] 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.

In 2020, information on 75 million financial accounts were exchanged under AEOI, covering around EUR 9 trillion (USD 9.4 trillion) worth of assets.[f]

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. Global Forum Annual Survey.

c. Status of AEOI commitments, available at https://www.oecd.org/tax/transparency/AEOI-commitments.pdf.

d. OECD / Global Forum (2018), *The framework for the full AEOI reviews: the Terms of Reference*, available at https://www.oecd.org/tax/transparency/documents/AEOI-terms-of-reference.pdf.

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

f. OECD / Global Forum (2021), *Reinforcing Multilateral Co-operation in Tax Matters for a Fair and Inclusive Recovery, 2021 Global Forum Annual Report*, available at https://www.oecd.org/tax/transparency/documents/global-forum-annual-report-2021.pdf.

The fight against tax evasion and other IFFs was included in 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*". The African Union equally placed fighting IFFs and strengthening DRM at the top of its agenda, recognising these as critical for the achievement of "Agenda 2063: The Africa We Want".

One common denominator to all forms, origin or destination of IFFs is the opacity that surrounds transactions and activities. Opacity and secrecy are at the core of such IFFs, making tax transparency a crucial part of international efforts to tackle them.[10]

The availability of legal and beneficial ownership information, accounting and banking information, and the access to that information and its effective exchange with foreign partners is an important tool to address tax evasion and promote DRM. Tax transparency narrows the field of tax evasion by supplying tax authorities around the world with information required to enforce their tax laws.

However, tax transparency is not only relevant for tackling tax evasion. As the lack of transparency facilitates IFFs, improving transparency for tax purposes – for instance, through the unveiling of legal and beneficial ownership structures – reduces the exposure to all forms of IFFs, such as corruption, money laundering and terrorism financing. Tax transparency is therefore an essential part of national public policy and international efforts against tax evasion and other forms of IFFs.[11] Table 1 provides an overview of the standard on transparency and exchange of information on request (EOIR) and the standard on automatic exchange of financial account information (AEOI).

THE AFRICA INITIATIVE

About

The Africa Initiative was launched at the 2014 Global Forum plenary meeting, held in Berlin, Germany. The Initiative was designed to unlock the potential of tax transparency and co-operation in Africa, focusing on developing EOI capacities across the continent and leaving a permanent legacy for its members and regional organisations. Through political engagement with senior leaders and the co-ordination of technical assistance, the Africa Initiative is centred on deepening the benefits of transparency and EOI in the region.

The Africa Initiative started as a joint effort of African members and development partners and regional organisations, namely the African Tax Administration Forum (ATAF), *Cercle de Reflexion et d'Échange des Dirigeants des Administrations Fiscales* (CREDAF), Global Forum, OECD, World Bank Group (WBG), France and United Kingdom. Since then, additional partners joined, providing a strong encouragement to tax transparency and domestic resource mobilisation (DRM) in the region: African Development Bank (AfDB), AU Commission, European Union (EU), Germany, Norway, Netherlands, Switzerland and the West African Tax Administration Forum (WATAF).

The launch of the Africa Initiative was a significant landmark for the Global Forum. It pioneered a regional approach based on triangular relationships – between the Secretariat, member countries and partner organisations – for the implementation of capacity-building activities. As Algeria joined the Global Forum in September 2021, the Africa Initiative currently has 33 member countries.

How it works

The Africa Initiative was initially set up for a three years period (2015-2017), focusing on meeting minimum requirements for enabling effective tax co-operation and ensuring member countries can properly benefit from the tax transparency standards, in particular from EOIR.

In the margin of the 2017 Global Forum plenary held in Yaoundé, the Africa Initiative was renewed for a second phase (2018-2020) with the objective of further enhancing tax co-operation in Africa and laying the

10. Report of the High Level Panel on IFFs from Africa (op. cit) emphasises that: "*The importance of transparency is evident in ongoing approaches to tackle IFFs, whether through the automatic exchange of information, country-by-country reporting, project-by-project reporting, disclosure of beneficial ownership, public information about commercial contracts that African governments enter or implementation of the recommendations of the Financial Action Task Force*", available at https://au.int/sites/default/files/documents/40545-doc-IFFs_REPORT.pdf.

11. For more information on the tax transparency standards, see the previous *Tax Transparency in Africa* reports and other publications at https://www.oecd.org/tax/transparency/documents/key-publications-and-documents.htm.

groundwork for the adoption of the AEOI standard across the region. The Yaoundé Declaration was also signed to further emphasise the role of tax transparency and EOI in tackling IFFs.

In 2020, the Initiative had its mandate extended for a third phase (2021-2023) with a new governance framework, including a clear set of goals to be achieved during that phase and the election of a Chair and a Vice-Chair – senior officials from a tax administration or a Ministry of Finance of two African member countries – with a one-year mandate to steer the work of the Initiative.

As part of the renewed mandate, the members and partners of the Africa Initiative agreed to:

- continue to build political awareness throughout Africa
- help new members implement the core stage of tax transparency and EOI
- consolidate the progress achieved by members since 2014
- increase the efforts on transparency of beneficial ownership information and AEOI
- explore with interested members enhanced building blocks.

The capacity-building goals to be achieved during the 2021-2023 period are divided into two main categories:

- a "core stage" which reflects fundamental actions and objectives for all the members of the Initiative and contains seven elements:
  - set up of operational EOI units with adequate resources including delegated CA powers and an EOI internal procedure or manual
  - definition of a clear strategy to use EOI as a tool to improve tax audits, sensitisation of relevant stakeholders and actively increasing requests with treaty partners
  - signing and ratification of the Convention on Mutual Administrative Assistance in Tax Matters (MAAC)
  - receiving a satisfactory rating in the second round of EOIR 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 safeguards
  - measuring of the impact and benefit of EOI through periodic collection and tracking of statistical information.
- "enhanced building blocks", with the Initiative exploring alongside interested members further capacity-building activities and co-operation in additional areas. One particular area of interest identified by members is cross-border assistance in recovery of tax claims to complement EOI. Other areas include effective use of CRS data and the use of EOI data for non-tax purposes.

The leadership of the Initiative was also elected with Mr Githii Mburu, Commissioner General, Kenya Revenue Authority (KRA), and Mr Edward Kieswetter, Commissioner, South African Revenue Service (SARS), respectively designated as Chair and Vice-Chair for 2021. During their leadership, two important meetings of the Initiative were held virtually.

- In May 2021, the 9th meeting[12] was attended by over 300 participants – including representatives from 34 African countries and 11 donors and partners – and marked the launch of the Tax Transparency in Africa 2021 report.[13]
- In November 2021, the Africa Initiative held its 10th meeting,[14] which was attended by over 100 delegates from 26 African countries and six donors and partners. Recognising the critical role played by the governance structure in the 2021 achievements, members extended the term of the incumbent Chair and Vice-Chair for an additional year and decided to reflect on further improvements to the governance framework to be decided in 2022.

12. The Statement of outcomes of the 9th Africa Initiative meeting is available at https://www.oecd.org/tax/transparency/documents/9th-meeting-africa-initiative-statement-of-outcomes.pdf.

13. OECD / Global Forum, ATAF and AUC (2021), *Tax Transparency in Africa 2021, Africa Initiative Progress Report*, available at https://www.oecd.org/tax/transparency/documents/Tax-Transparency-in-Africa-2021.pdf.

14. The Statement of outcomes of the 10th Africa Initiative meeting is available at https://www.oecd.org/tax/transparency/documents/10th-meeting-africa-initiative-statement-of-outcomes.pdf.

The Yaoundé Declaration

In the margin of the 2017 Global Forum plenary held in Cameroon, ministers of finance and heads of tax administrations of African countries met to discuss their countries' priorities and challenges in advancing the fight against tax evasion and other IFFs through improved tax co-operation. They adopted a call to fight tax evasion and other IFFs through transparency and EOI in Africa. The Yaoundé Declaration[15] additionally encouraged African countries to explore partnerships with the African Union, the United Nations Economic Commission for Africa, Regional Economic Communities and the AfDB to boost efforts towards the implementation of tax transparency standards and EOI tools.

The Yaoundé Declaration was promptly adopted by various African countries, with Rwanda and Algeria becoming signatories in October and November 2021 respectively. The Declaration is now endorsed by 33 African countries and the AU Commission, showing the strong commitment to advance tax transparency and increase DRM on the continent. Other supporters of the Declaration include the OECD, France and the United Kingdom.

The Yaoundé Declaration calls the attention of political leaders and decision makers across the continent on the importance of tax transparency and EOI in the IFFs debate and the development agenda in Africa.

15. The text and the list of signatories to the Yaoundé Declaration is available at https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/Yaounde-Declaration-with-Signatories.pdf.

2 Advancing the tax transparency agenda in Africa

The Africa Initiative is built around two strategic axes: (i) raising political awareness and commitment in Africa and (ii) developing African countries' capacities in transparency and EOI. This chapter summarises the progress achieved in 2021.

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

Under the leadership of the Chair and Vice-Chair of the Africa Initiative, and supported by the Global Forum Secretariat, deliberate steps were taken in 2021 to advocate for and create consciousness around the potential of transparency and EOI as a tool for combating IFFs.

Meetings with decision-makers and partners

In June 2021, a bilateral meeting between the AU Commissioner for Economic Development, Trade, Industry and Mines and the Head of the Global Forum Secretariat concentrated on suitable options of enhancing African countries participation in the fight against tax evasion and other IFFs through transparency and EOI. The Commissioner highlighted two areas for action by the AU Commission: a sensitisation campaign for African ministers of finance on the importance of the tax transparency agenda and the designation of a champion on DRM in Africa. To further advance the tax transparency agenda, the Head of the Global Forum Secretariat attended the AU Specialised Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration meeting in May 2021. At the regional level, events were organised to promote the visibility of transparency and EOI in Africa.

- At the Conference on Transparency and IFFs organised by ATAF and the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) in September 2021, the Global Forum Secretariat spoke on the progress made by African countries in implementing the international standards to tackle tax evasion.
- The Global Forum Secretariat also participated in the WATAF General Assembly and High-Level Policy Dialogue, which took place in September 2021, in Abuja, Nigeria around the theme "*The taxation of the digital economy: exploring untapped revenue sources in Africa*". The event also commemorated WATAF's 10 year anniversary.
- The Global Forum Secretariat engaged the CREDAF through a high-level meeting held in July 2021 with its new Secretary General. CREDAF is a partner of the Africa Initiative and encourages its members, most of which are French-speaking countries, to participate in the tax transparency work.

Engaging regional economic communities to advocate for transparency and EOI was central to the 2021 Africa Initiative Action Plan under the pillar of increasing political awareness on the African continent. In 2021, the Initiative focused on the East African region where the Global Forum Secretariat engaged the East African Revenue Authorities Technical Committee (EARA-TC), which brings together technical teams from Rwanda, Kenya, Burundi, Tanzania and Uganda. The engagement progressed with sensitisation to create awareness of the benefits of transparency and EOI with the EARA-TC members and are ongoing.

Beside the institutional front, the Africa Initiative leadership also promoted the tax transparency and EOI agenda at civil society organisations (CSOs) platforms. The Vice-Chair spoke at the Pan-African Conference on IFFs and Taxation, co-hosted by Tax Justice Network Africa (TJNA) and ATAF in October 2021. This event, attended by participants from CSOs, governments and academia, under the theme "*Taking Stocking for an Accelerated Agenda to Curb IFFs on the Continent*" offered an opportunity to the Vice-Chair to highlight the value addition that tax transparency and EOI have had in the fight against IFFs. The objective of the Africa Initiative aimed at ensuring African countries benefit from the improvements in the tax transparency landscape was highlighted, as well as the progress made and the remaining challenges. In addition, the Global Forum Secretariat also co-hosted a break-away session with ATAF which dwelt on the progress made by the Africa Initiative in assisting African countries implement recommendations of various transparency and EOI regional and international reports to tackle IFFs.

Beneficial ownership is an important topic of the tax transparency agenda. In August 2021, the Global Forum Secretariat delivered a keynote address at a high-level virtual workshop on beneficial ownership organised by the South African Reserve Bank – Prudential Authority, in co-operation with the Financial Intelligence Centre. The event attended by the financial industry aimed at assisting anti-money laundering accountable institutions to delve into the various aspects of beneficial ownership analysis by providing a platform for engagement and knowledge sharing. The Global Forum Secretariat

"Like all other members of the Global Forum, Algeria will participate on an equal footing and is committed to combating tax evasion through the progressive implementation of internationally agreed standards of transparency and exchange of information for tax purposes"

– **Aïmene Benabderrahmane**, Prime Minister (former Minister of Finance), Algeria

made an intervention under the theme "*Ensuring the transparency of beneficial ownership, a global challenge to stem illicit financial flows*" and highlighted the global context of beneficial ownership transparency and the understanding of the concept of "beneficial ownership" and its importance.

Broadening African countries' participation of in the Global Forum and the Yaoundé Declaration

Awareness campaigns took place within the framework of the Africa Initiative as a means to gather support on the political front. In this context, Algeria joined the international efforts to tackle tax evasion and was welcomed as the 163rd member of the Global Forum in September 2021, bringing the number of African countries that have now signed up to the Africa Initiative to 33.

In addition, Rwanda and Algeria joined the Declaration in October and November 2021 respectively. Currently, 33 African countries have endorsed the objectives of the Yaoundé Declaration, including 3 non-members of the Global Forum[1] and the AU Commission.

Publishing the results of Tax Transparency in Africa

The Tax Transparency in Africa (TTiA) report is a strategic output of the Africa Initiative. It is published annually and is a rich source of information for decision makers, citizens, CSOs and academia, as it provides comparable statistics on tax transparency as one of African countries' response to the issue of IFFs. It also provides a platform for African countries to share their EOI experiences with peers and learn from best practices. The outcomes of the TTiA report also provides a foundation for discussions between members in meetings held in the year.

1. Comoros, Congo and Guinea Bissau.

Tax Transparency in Africa 2021

On 26 May 2021, the Africa Initiative launched the TTiA 2021 report.[2] This third edition highlighted the progress made by 34 African countries, including six non-members,[3] in advancing tax transparency and EOI in the year 2020. It provided insights into the state of play for Africa regarding the two pillars of the Initiative: (i) raising political awareness and commitment in Africa and (ii) developing capacities in African countries in transparency and EOI in the midst of the COVID-19 pandemic. The launch event brought together a high-level and diverse attendance of over 300 delegates from 34 African countries and 11 Africa Initiative donors and partners, an indicator of the fast-growing interest for the tax transparency agenda in Africa, driven by the Africa Initiative.

Peer-to-peer knowledge sharing

The Africa Initiative promotes peer to peer learning on tax transparency and EOI in Africa. This is premised on the confidence that African countries can collectively realise the full potential of EOI if they are able to compare themselves and share best practices. In this respect, Africa Initiative annual meetings offer a unique platform for knowledge and experience sharing among participating African countries around topics of common interest that address their specific needs on the tax transparency agenda. Two meetings were held in 2021. The topics discussed included strategies

2. OECD / Global Forum, ATAF and AUC (2021), *Tax Transparency in Africa 2021, Africa Initiative Progress Report*. Available at https://www.oecd.org/tax/transparency/documents/Tax-Transparency-in-Africa-2021.pdf.

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

to prioritise tax transparency and EOI as a tool for combating IFFs to increase domestic resources and how to translate the progress made into revenue gain. Delegates also took stock of capacity-building initiatives to support the implementation of the tax transparency standards in Africa and discussed best practices and the successes registered by African countries as well as the remaining challenges.

BUILDING CAPACITIES IN 2021

Enhancing African tax administrations' capacity on tax transparency and EOI is the second strategic axis of the Africa Initiative. The COVID-19 health crisis that continued in 2021 did not deter the Global Forum Secretariat's capacity-building initiatives for African countries.

Strengthening legal frameworks

A wide range of technical assistance activities within the framework of the Africa Initiative focused on helping African countries enhance their EOI legal framework, in order to ensure availability of and access to any information relevant for tax purposes. The support included tailored country-specific assistance to:

- **Broaden the network of EOI relationships by joining the MAAC**: assistance provided resulted in more African countries taking part in the MAAC in 2021, to benefit from a comprehensive network of EOI partners. Rwanda signed the MAAC, while Botswana, Eswatini and Liberia deposited their instruments of ratification. Angola, a non-member, also received support and was invited to sign the MAAC. Assistance started with Djibouti on the confidentiality questionnaire, which is a critical step in the MAAC signing process.
- **Improve the legal and regulatory frameworks for EOIR** to help countries prepare for Global Forum EOIR peer reviews (second round): assistance in 2021 was provided to 17 countries.[4]
- **Improve the legal and regulatory framework for AEOI** in order to help African countries commit to AEOI on a practicable timeframe: in this regard, assistance in 2021 was delivered to eight African countries.[5] Kenya and Uganda signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (CRS-MCAA). In addition, Uganda and Rwanda committed to implement AEOI by 2023 and 2024 respectively, while Lesotho received support to make an informed decision on a commitment date for AEOI. AEOI assistance was ongoing with Morocco and Tunisia.

Improving tax administrations' exchange of information infrastructures

A tax administration can only benefit from EOI if it has in place a minimum infrastructure to send, receive and process the information in accordance with the international standard. This includes an EOI unit with adequate resources.

Setting up functioning exchange of information units

The EOI unit is fundamental for EOI. It is the starting point to consider when strengthening tax administrations' ability to track cross-border businesses and make tax evasion more difficult for corporate and individual taxpayers.

In supporting and guiding African countries to organise and improve their tax administrations' ability to use EOI, a practical Africa Initiative workshop was held in October 2021 on "*establishing and running functioning exchange of information units*". The workshop was attended by 159 participants from 28 countries worldwide, including 92 participants from 17 African countries and was built upon the *Toolkit on Establishing and Running an Effective Exchange of Information Function*[6]. Practical experiences of four countries from Europe, Africa and Asia were also shared with participants. Relatedly, Benin, Egypt, Eswatini, and Zambia received country-specific support in 2021, regarding the set-up and improvement of their EOI units. This support took the form of an analysis of the structure, procedures and resources of the EOI function and possible improvements. All these activities guided African countries to align their organisation's framework and practices to the requirements of the international standards.

4. Algeria, Botswana, Burkina Faso, Djibouti, Egypt, Eswatini, Kenya, Lesotho, Liberia, Madagascar, Mauritania, Namibia, Rwanda, Seychelles, Senegal, Togo and Uganda.

5. Kenya, Lesotho, Morocco, Nigeria, Rwanda, Senegal, Tunisia and Uganda.

6. OECD / Global Forum (2020) and ATAF, *Establishing and Running an Effective Exchange of Information Function: A joint Global Forum and ATAF Toolkit*, available at https://www.oecd.org/tax/transparency/documents/EOI-Unit-toolkit_en.pdf.

Putting in place confidentiality and data safeguard framework for automatic exchange of information

The successful implementation of the AEOI standard by developing countries sends a positive signal to others and dispels the myth that automatic exchange is unattainable for them. As ensuring the confidentiality and safeguard of data is a pre-requisite for receiving CRS Data, the Global Forum Secretariat has put in place a strategy (see Box 1), which supports developing countries to improve their confidentiality data safeguard (CDS) frameworks. In 2021, assistance to have in place the necessary CDS framework was completed with Kenya, while action plans with Egypt, Lesotho, Morocco, Senegal, Tunisia and Uganda were ongoing.

Improving the monitoring of exchange of information and assessing its impact on tax collection

As part of the strategy to obtain the level of attention needed to make EOI a priority for African countries, the Africa Initiative has adopted an evidence-based approach, which encourages tax administrations to use EOI and track its impact on their revenue collection. The Global Forum Secretariat has developed new tools in this regard – the EOI monitoring tool and the EOI impact assessment tool. These tools help members monitor and measure their EOI activities. Monitoring and assessment of EOI helps countries have an informed perspective of how much revenue was realised from EOI and lay strategies to effectively align EOI to DRM efforts.

In 2021, Africa Initiative members committed to improve the assessment of the impact of EOI in order to inform strategic decisions. A group of six members (Cameroon, Kenya, Seychelles, South Africa, Tunisia, and Uganda) committed to lead by example and use the impact assessment and monitoring tools starting in 2021. A follow-up meeting with the six countries was held in June 2021 and further guidance on the implementation of the tools was provided. The tools were also shared with Burkina Faso, Eswatini, Liberia, Mauritius, Namibia and Nigeria, which had expressed their interest in them. Overall, 12 African countries started to implement these practical tools in 2021. They are enabling countries to trace the additional revenue raised as a result of EOI.

Developing tax officials' exchange of information skills

Improving tax officials' skills is critical to ensuring a good understanding of the principles of EOI and making use of the established infrastructure in the fight against tax evasion. In 2021, the Africa Initiative continued to deliver trainings to enhance the capacity of its members.

Assessor trainings

Considering the large number of African countries scheduled to undergo EOIR peer reviews in 2022 and 2023, the Africa Initiative undertook to build capacity and equip officials with skills for carrying out the responsibilities of expert assessors and prepare African countries for their peer reviews. The assessor trainings also provide an opportunity to grow the understanding of and the expertise in the transparency and EOI standards on the continent and enable African countries to play a more active role in the discussions concerning EOI in general. African countries have continued to actively participate in the work on transparency, including through the EOIR peer review of other jurisdictions.[7] The participation of African officials as assessors in the EOIR peer reviews is seen as an enriching experience for their own countries' implementation of the EOIR standard (see Box 2).

Two practical EOI assessor trainings were undertaken in 2021, to which 48 officials from 25 African countries participated:

- An English speaking training was held for 36 participants worldwide, including 22 participants from 12 African countries in March 2021.
- A French speaking training for African countries in July 2021, in collaboration with ATAF, was attended by 26 participants from 13 African countries and seven participants from other regions.

Effective use of automatic exchange of information data

One of the challenges countries implementing AEOI face is to effectively use the data received. In this regard, the Global Forum Secretariat organised a workshop on effective use of CRS data in October 2021. The aim was to support countries already participating and those committed to AEOI on a specific timeframe.

7 In 2021, African officials contributed as assessors in the peer review of Côte d'Ivoire, Gabon, Kenya, Moldova and Tanzania,

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

Unleashing the potential of automatic exchange of information for developing countries

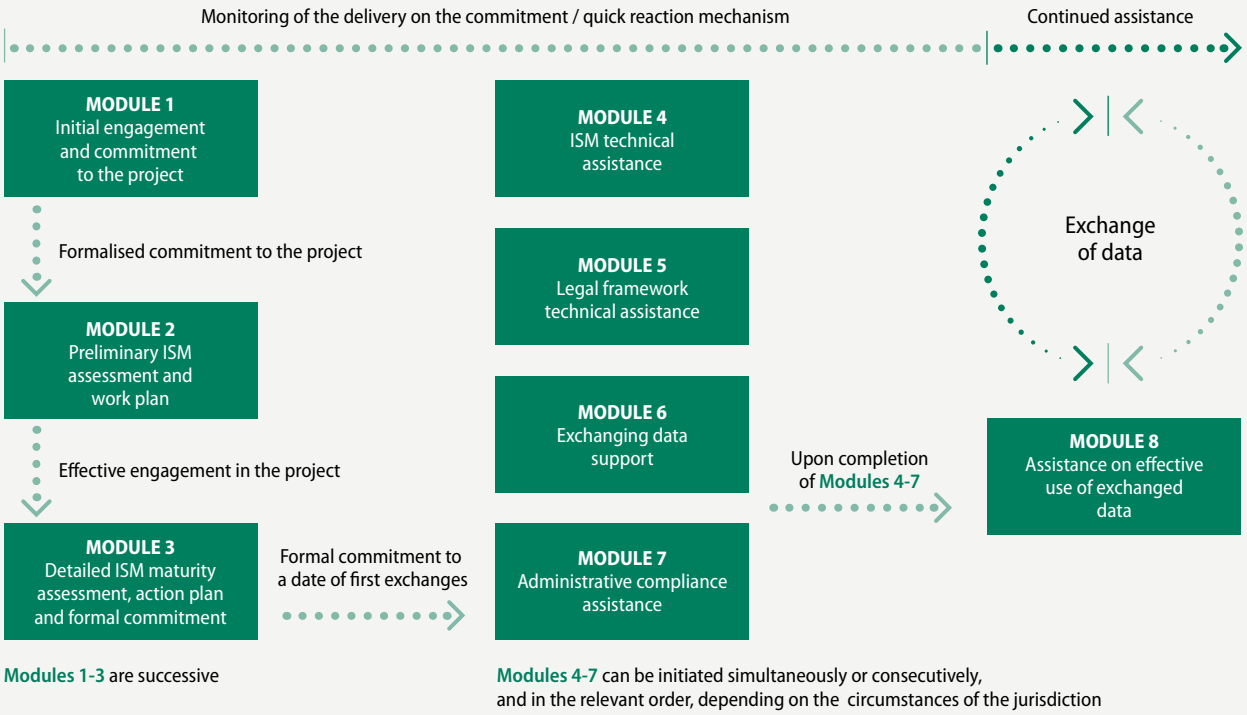
The 2021 Strategy aims to fulfil the potential of AEOI in developing countries through a strengthened approach of capacity-building and technical assistance. The Strategy focuses on the development of decision makers' and tax administration experts' knowledge of the requirements to implement the AEOI standard through new tools and continued awareness-raising initiatives to ensure that the assisted jurisdiction is an informed actor in its capacity-building programme.

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. It provides comprehensive technical support for a successful implementation and includes the following topics:

- awareness raising activities
- design of an implementation strategy
- setup of a voluntary disclosure programme
- implementation of an appropriate confidentiality and data safeguard framework
- putting in place the domestic and international legal frameworks
- supporting the setup of the IT requirements
- design and implementation of an administrative compliance framework
- assistance on the effective use of exchanged data.

The new strategy will ensure that the Global Forum Secretariat continues to provide its unique expertise and know-how to unleash the potential of AEOI for developing countries.

Modular approach for the AEOI implementation



Source: OECD / Global Forum (2021). Unleashing the potential of automatic exchange of information for developing countries.

BOX 2. Experience of an African official as assessors in EOIR peer reviews

In which year did you participate as an assessor in the peer review of another member of the Global Forum and what criteria contributed to your nomination as an assessor?

In January 2021, I was nominated by the Commissioner General of the *Office Togolais des Recettes* (OTR) in response to a call for nomination from the Chair of the Peer Review Group (PRG), to participate as assessor in the Phase 1 peer review of an African country. The assessment covered the period from 1 October 2017 to 30 September 2020. The alignment of my profile with the criteria mentioned in the call for nomination worked for my selection. These include:

- the participation in assessors training sessions;
- a good experience in matters relating to tax transparency and exchange of information on request;
- a good understanding of tax law and the legal framework, in particular that of the Organisation for the Harmonisation of Business Law in Africa (OHADA);
- proficiency in one of the working languages of the Global Forum.

It should also be noted that in addition to the PRG's criteria, the OTR had set itself a specific objective:
propose an official who could contribute to an assessment, while acquiring skills for the preparation of Togo's peer review.

What was your work as an assessor and what was your experience?

My work consisted firstly of examining the responses to the questionnaire of the assessed jurisdiction as well as the documents provided, to ensure that they are aligned with the 2016 Terms of Reference. I then participated in several online meetings with the members of the assessment team to discuss the relevant comments to be addressed to the assessed jurisdiction. I also shared, when necessary, information with the assessment team, in particular on the specificities of the OHADA law and the tax system of French-speaking African countries, as the assessed jurisdiction was a member of OHADA. I also took part in meetings with the assessed jurisdiction on the follow-up questions. Finally, together with the other colleagues of the assessment team, I contributed to the drafting of the report and its presentation to the PRG.

In terms of the experience, I learned a lot from the assessment team colleagues as well as from the assessed jurisdiction. I particularly understood the level of compliance that was expected in relation to the standard, the great convergence that should prevail between the entire domestic legal framework and the tax law for a better rating, the difficulty to anticipate and the adequate supporting documents or answers sought. I also noted that the aim of the assessors was not to put the colleagues in the assessed jurisdiction in a difficult position, but to help the assessed jurisdiction identify its shortcomings and to make clear recommendations to enable it to implement the standard in an effective manner.

The workshop was held in three languages (English, French and Spanish) and attended by 800 participants worldwide, including 74 participants from 9 African countries. The workshop enabled experience-sharing sessions on diverse topics, including data treatment, approaches to data matching and risk analysis implementation. Another workshop on the effectiveness of the implementation of the AEOI standard, including the quality of exchanged data, was held in December 2021. Participants included 84 officials from 11 African countries.

Following these workshops, the Global Forum Secretariat has commenced country-specific support for effective use of CRS data. This support was launched for Nigeria in 2021 following its first reciprocal exchanges.

Train the Trainer pilot programme

In 2021, a new pilot programme – the Train the Trainer programme[8] – was launched within the framework of the Africa Initiative. This programme was offered to African countries with the objective of building sustainable EOI capacity within their tax administrations through developing a network of EOI trainers on the continent. The programme offers a paradigm shift with a fundamental

8 More information is available at https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/train-the-trainer.htm.

How did you prepare to contribute to the Global Forum's work as an assessor?
The work was not easy but very exciting. The preparation consisted mainly of reading all the documents related to the assessment, researching and taking notes on aspects on which I was not sure to have a good understanding. I should mention that after my daily working hours, I often stayed in the office to work until very late. It is also necessary to make all the arrangements to ensure a good communication, given that the work was done remotely. In this context, it was necessary to ensure a good internet connection, to have a workplace that limited disruptions or intrusions and to be brief, clear and concise during the discussions.

Do you see any impact of your participation as an assessor in the peer review of another Global Forum member on your work on transparency and exchange of information in Togo?
Of course. It is my duty as the head of Togo's EOI unit, to ensure that Togo avoids the pitfalls that has led to recommendations for the jurisdiction that I assessed. This is important for me as I am aware that I will be personally evaluated by my superiors, notably the Commissioner of Taxes and the Commissioner General on the results of Togo's peer review.

The other important aspect that should be mentioned is that the assessment enabled me to have a complete view on the legal framework of the assessed jurisdiction. This provided me with concrete examples to use when formulating proposals back home. Referring to this country may also support my proposals and initiatives to improve our tax transparency framework.

Finally, the relationship between the organisation of the EOI unit of the assessed jurisdiction, its methods and behaviour during the preparation and throughout the assessment on the one hand and the results of the peer review on the other hand provide a clear indication on what to do for a successful peer review. In summary, the impact of my participation in the assessment on my work is immense.

Are there any lessons you can share with other African countries with regards to participation as an assessor?
The above should help other African colleagues understand the advantages for an African country to participate in the peer review of other jurisdictions.

I have personally enjoyed contributing to the success of the peer review of a member jurisdiction of the Global Forum. I have learned a lot and my administration and my country benefit a lot from this experience.

I would very much like to see tax authorities in African countries give their staff such a great opportunity.

Source: Mr Ogoutchétout Ayétout Akpaki, Head of Division of Tax Legislation, Office Togolais des Recettes (OTR).

change in approach to capacity-building initiatives and has resulted into a remarkable ripple effect in knowledge transfer in just one year. The driven ideas of this demanding and long-term programme were as follows:

- building a highly skilled network of trainers who would then effectively multiply the acquired knowledge and skills domestically and in effect improving the capacity of national tax administrations to effectively use EOI instruments in their day-to-day work
- providing the trainers with training materials to be customised to meet their country-specific needs and constraints
- helping tax administration take greater advantage of the vast potential of tax transparency and EOI to tackle tax evasion and mobilise domestic revenues.

The programme included several steps intended to provide continued support to the trainers as shown on Figure 1.

The pilot programme was offered in 2021 to 34 participants from 17 African countries in English and in French. The pilot programme has had a positive impact on the participants and enhanced their skills to take charge of the tax transparency agenda within their tax administrations (see Table 2). The objective of the programme was largely surpassed with 26 local

trainings held in 13 countries and attended by nearly 900 tax officials. Moreover, a new network of trainers in EOI was created in Africa. It would allow the trainers to share their experiences, discuss EOI-related topics, share resource materials and ultimately contribute to strengthening overall EOI training capacities in member tax administrations. The Global Forum Secretariat will support the network of EOI trainers in Africa and use this experience to expand the programme in other regions in 2022.

FIGURE 1. **Train the Trainer programme steps**

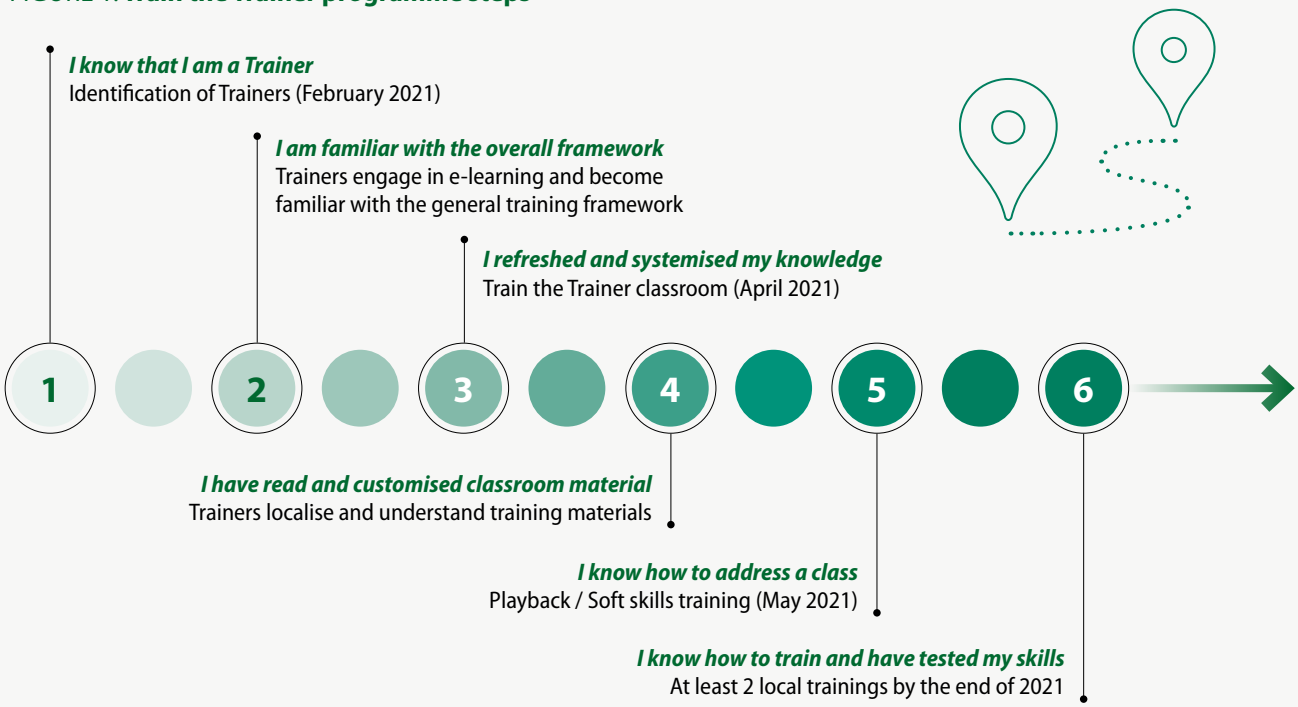


TABLE 2. **Interview with participants of the 2021 Train the Trainer pilot programme**

Ms Ivey Githaiga-Odundo (Exchange of Information & Stakeholder Engagement Unit – Kenya Revenue Authority) – 162 trained officials in 2021		**Mr Bèkêyi Essowèdéou Sogoyou** (Head of International Law Unit – Directorate of Tax Legislation and Litigation – *Office Togolais des Recettes*) – 82 trained officials in 2021	
Why did you decide to participate in the Train the Trainer programme?			
The Chief Manager of the Competent Authority Office nominated me to join the programme. She expressed having seen potential in my ability to impart knowledge to my fellow auditors and nominated me for the programme. My previous experience as an investigative auditor for about seven years in the Domestic Tax Department prior to joining the Competent Authority Office was also an important factor.		Participating in the Train the Trainer programme was a unique chance to build my capacity on the fundamentals and technical aspects of transparency and exchange of information for tax purposes, as well as on modern methods of training adult professionals. I was very glad that the *Office Togolais des Recettes* accepted my application for the programme. Beyond the acquisition of new knowledge, my motivation was especially heightened by the idea of being part of a large network of high-level African trainers, as a participant of the first cohort of the Train the Trainer pilot programme.	
What has been your experience with the 2021 pilot programme, as a trainer?			
The programme has given me the knowledge and confidence in delivering training sessions so that now I consider myself an expert in the area. I have improved delivery and training skills and acquired a vast experience as a trainer from the trainings offered by the Global Forum through this programme. The local training sessions were initially a bit challenging because of the limitations of a virtual training. However, after the initial adaptation, the training provided a good level of interaction and engagement. We hope in-person or hybrid trainings can resume, especially for practical areas of the programme such as the drafting of EOI requests.		As a trainer, the Train the Trainer pilot programme allowed me to experiment with the tools necessary for the elaboration and planning of a training programme (including the preparation of an agenda and terms of reference), as well as the preparation of modules and training materials through slides and other support materials. Thanks to the practical nature of the programme, my skills have improved significantly in terms of facilitating training sessions, particularly by familiarising myself with the new tools and materials for virtual training, including techniques for moderating debates and discussions following presentations, as well as the logistics around training sessions, including time management within the chronogram of the sessions.	
What are the next steps planned in your country to continue to expand the knowledge on exchange of information to auditors?			
Kenya intends to continue carrying out EOI training sessions for the relevant staff of the Kenya Revenue Authority. A training plan has been prepared which includes a major training event every quarter of the year for about 50 participants, supplemented by sessions on EOI sensitisation on a monthly basis for managers, auditors and investigators.		For the promotion of EOI knowledge in Togo, we have launched a programme for the organisation of three local training sessions before the end of 2021, for the benefit of all staff within the tax administration involved in the implementation of international standards of tax transparency. The programme is not limited to raising awareness and strengthening the capacities of auditors in the Directorate of Large and Medium Enterprises and Regional Directorates, but is also designed to provide knowledge to agents in charge of tax investigations, information exchange and tax legislation.	

Source: OECD / Global Forum (2022), *10 Years of Capacity Building: 2022 Global Forum Capacity-Building Report*, available at https://www.oecd.org/tax/transparency/documents/2022-Global-Forum-Capacity-Building-Report.pdf.

TABLE 3. **2021 EOI capacity-building events for African countries**

No.	Capacity Building Events	Date	No. of participants	No. of countries
1	In-country Last Mile training – Tunisia	18-22 January	343	1
2	Assessor training (English)	15-19 March	22	12
3	Train the Trainer pilot programme (English and French)	April-December	34	17
4	In-country EOIR training – Zambia (in collaboration with ATAF)	21-23 June	16	1
5	Assessor training (French – in collaboration with ATAF)	5-9 July	26	13
6	In-country EOIR training – Eswatini (in collaboration with ATAF)	12-14 July	30	1
7	Regional Last Mile training (French) through a Global Forum/CREDAF collaboration	27-29 July	73	15
8	Workshop on the concept of foreseeable relevance	26-29 September	16	9
9	Effective use of CRS data (English, French and Spanish)	4-5 October	74	9
10	In-country Last Mile training – Tunisia	19-22 October	303	1
11	Regional Last Mile training (English) through the EU funded West Africa Fiscal Transition Support Programme with the Economic Community of West African States (ECOWAS) and West Africa Economic and Monetary Union (WAEMU) Commissions	3-5 November	30	9
12	AEOI workshop on the effectiveness review process, with a focus on ensuring compliance by Financial Institutions	1-2 December	84	11

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Trainings on exchange of information on request

Enhancing the capacity of tax compliance officials in EOI is essential to ensure that EOI is used as a tool in supporting tax collection efforts. To this end, specific training seminars were organised in 2021. A number of these trainings were labelled "Last Mile" to highlight the central role tax auditors play in optimising the EOI framework for better revenue collection. Table 3 summarise the trainings on EOI delivered to African countries in 2021.

Ensuring gender balance in tax transparency

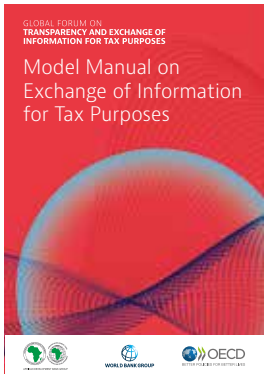
The Global Forum Secretariat and its partners embrace their responsibility in being part of the solution to reduce social and economic inequalities between men and women. Therefore, one of the central objectives of the capacity building initiatives is to ensure equal access to EOI knowledge by African tax officials, particularly female tax officials. This effort continued in 2021 with 40% female participation in trainings in Africa compared to 34% in 2020.

Part of these efforts included requiring the nomination of a male and female officials to the Train the Trainer pilot programme that was organised for African tax officials in 2021. As a result, there were 17 male and 16 female officials trained as future EOI trainers.

Supporting tax administrations with practical toolkits

To supplement the capacity-building actions, three new critical toolkits have been launched in 2021:

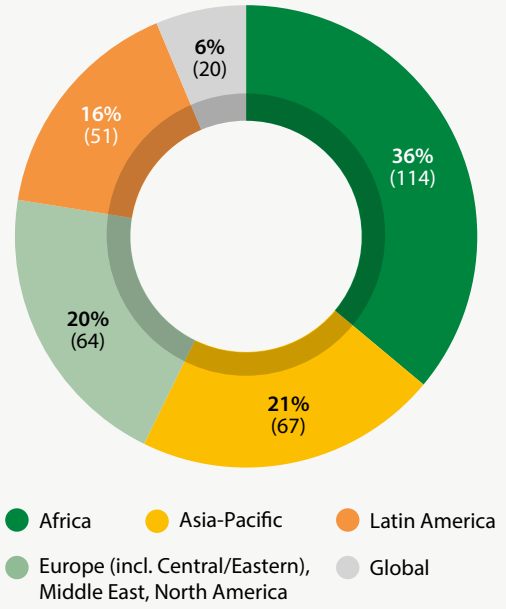
- *Model Manual for Exchange of Information for Tax Purposes* developed in partnership with the WBG and AfDB which provides guidance and templates for implementing relevant procedures for all forms of EOI and reflects recent improvements such as group requests[9]
- *Toolkit on Building Effective Beneficial Ownership Frameworks* jointly developed by the Global Forum and the Inter-American Development Bank (IDB), to help jurisdictions ensure transparency of beneficial ownership information[10]
- *Toolkit for the Implementation of the Standard for Automatic Exchange of Financial Account Information* to provide guidance on all aspects of AEOI implementation to interested jurisdictions.[11]



The Global Forum capacity-building programme is mainly focused on developing countries where the need for technical assistance is more prominent. In 2021, trainings delivered by region increased and these were delivered in virtual mode which equally enlarged the number of participants trained. In terms of regional distribution, since 2011 Africa has benefited most from the training events delivered by the Global Forum: 36% of the training events totalling to 114 events (see Figure 2).

Overall, the continued support to African countries had an impact on the implementation of the tax transparency and EOI standards on the continent in 2021 with tangible results in improvements to legal frameworks for EOIR and AEOI as well as the expansions of EOI relationships with other jurisdictions. The progress was important on AEOI, with two African countries (Kenya and Uganda) signing the CRS-MCAA, while Uganda and Rwanda respectively committing to implement AEOI by 2023 and 2024. They will join five others (Ghana, Mauritius, Nigeria, Seychelles and South Africa), which are already exchanging information under this standard and two others (Kenya and Morocco), which are committed to start their first exchanges in 2022.

FIGURE 2. **Capacity-building events per region, 2011-2021**



Source: OECD / Global Forum (2022), *10 Years of Capacity Building: 2022 Global Forum Capacity-Building Report, op. cit.*

9. OECD / Global Forum, AfDB and WBG (2021), *Model Manual for Exchange of Information for Tax Purposes*, available at https://www.oecd.org/tax/transparency/documents/EOI-manual.pdf. The toolkit is available in English, French and Portuguese. The Spanish version will be released in the first semester of 2022.

10. OECD / Global Forum and IDB (2021), *Building Effective Beneficial Ownership Frameworks – A joint Global Forum and IDB Toolkit*, available at https://www.oecd.org/tax/transparency/documents/effective-beneficial-ownership-frameworks-toolkit_en.pdf. The toolkit is available in English and Spanish. The French version will be available in the first semester 2022.

11. OECD / Global Forum (2021), *A Toolkit for the Implementation of the Standard for Automatic Exchange of Financial Account Information*, available at https://www.oecd.org/tax/transparency/documents/aeoi-implementation-toolkit_en.pdf. The toolkit is available in English. The French and Spanish versions are scheduled for the first semester of 2022.

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

The collection and recovery of tax claims is a critical pillar in a jurisdiction's revenue strategy. Nonetheless, it remains a challenge for many tax administrations, including those in Africa, at both the domestic level and in a cross-border context. Following calls from African countries and other developing countries to strengthen the international tax co-operation framework by ensuring effective cross-border assistance in recovery of tax claims, a Working Group on Cross-Border Assistance in Recovery of Tax Claims was established in 2021 within the framework of the Africa Initiative.

The Working Group, composed of 24 members from 12 African countries, was mandated by the Africa Initiative to analyse the current position of African countries in terms of collection and recovery of tax claims in general and the conditions necessary for effective cross-border assistance in the recovery of tax claims in particular. The Working Group has been supported by an expert from the Belgium Tax Administration, who brings a long-standing experience in the cross-border assistance in recovery of tax claims.

To meet its objectives, the Working Group launched a survey in 2021 to determine the trends on cross-border assistance in recovery of tax claims to which 23 African countries responded. On the basis of the responses received, the Working Group prepared a note summarising the main findings. The first of its kind in the area of cross-border assistance in collection and recovery of tax claims by African countries, the note examined the legal framework and organisation of the tax administration functions for the collection and recovery of tax claims, as well as the challenges faced by African countries in both a domestic and cross-border context.

Domestic recovery of tax claims

A large majority of the respondent African countries (21 out of 23 countries or 91%) give the recovery of tax claims a high level of priority in the domestic context. These countries have in place the most common legal powers and tools for the collection and recovery of tax claims. They also have developed strategies (21 out of 23 countries), set up dedicated offices and allocated tools and resources (including staff and formalised procedures) for the collection and recovery of tax claims. Nonetheless, a sizeable part of the outstanding tax claims remains unrecovered, which may mean that the legal tools, procedures and resources available may not be effectively utilised to collect or recover outstanding tax claims.

The main challenges to the effective collection and recovery of tax claims faced by the respondent countries in a domestic context included:

- inability to trace tax debtors and/or their assets
- inadequacy of assets traced to satisfy the tax claim
- debtors and assets of debtors being located outside the country
- costly and lengthy litigation
- large number of small claims which spread out the resources of the tax administration
- lack of co-operation of other government agencies, which is essential to the identification of tax debtors' assets.

The poor management of the tax claims collection and recovery functions may also lead to ineffective use of available legal tools or inadequate allocation of resources necessary for the effective collection and recovery of tax claims.

Cross-border recovery of tax claims

Unlike the high priority given to the recovery of tax claims at the domestic level, a majority of the respondent African jurisdictions had a low level of knowledge cross-border assistance in recovery of tax claims: only 3 respondents (13%) reported a high level of knowledge, while 7 (30%) rated their knowledge as medium and 13 (57%) as low. While all of the respondents have in place the requisite international legal gateways for this form of administrative assistance, most of them lack knowledge on this form of administrative assistance and its usefulness for their respective tax administrations. Only 10 of the respondents (43%) have a strategy on using assistance in recovery of tax claims as well as a dedicated office for it. Out of the 10 respondent countries with a dedicated office, only one (10%) has specialised officers and formalised procedures, for example, working manuals or guidelines for cross-border assistance in

recovery of tax claims. In the remaining nine (90%), this form of administrative assistance is handled by the EOI unit in addition to its EOI functions. This points to the allocation of nominal resources dedicated to this function, for example dedicated offices as well as lack of appropriate tools such as formalised procedures, manuals and skilled officers. Moreover, only six (26%) of the respondent countries use other forms of administrative assistance such as EOI, which can be useful in determining the residence of a tax debtor for the purpose of serving a notification or the identification of assets they may have in foreign jurisdictions, which could be targeted for recovery of tax claims.

As a result only five (22%) of the respondent African countries had sent a total of 13 requests for assistance to recover tax claims (representing EUR 9.8 million or USD 10.2 million) during the 2018-20 period. During the same time, a similar number of respondents have received 123 requests (representing EUR 43.7 million or USD 45.4 million) and had recovered for their partners EUR 25.9 million (USD 26.9 million). This pointed to the need for raising awareness on how this form of assistance works and its potential benefits for African countries.

The five respondent countries (22%) that are active in cross-border recovery of tax claims experience several challenges when either requesting or rendering assistance. These include:

- lack of knowledge on the appropriate procedures to follow to request or provide assistance
- delays occasioned by incomplete requests, an under-appreciation of the formal procedural and substantive aspects of making an effective request and an under-appreciation of the requested jurisdiction's legal framework
- narrow networks of international legal instruments that facilitate this form of assistance
- reservations made by other jurisdictions against providing this form of assistance.

There is a close link between the recovery of domestic tax debt and the cross-border assistance in the recovery of tax claims and hence a strong domestic tax debt recovery program is a pre-requisite to effective cross-border assistance to recover tax claims.

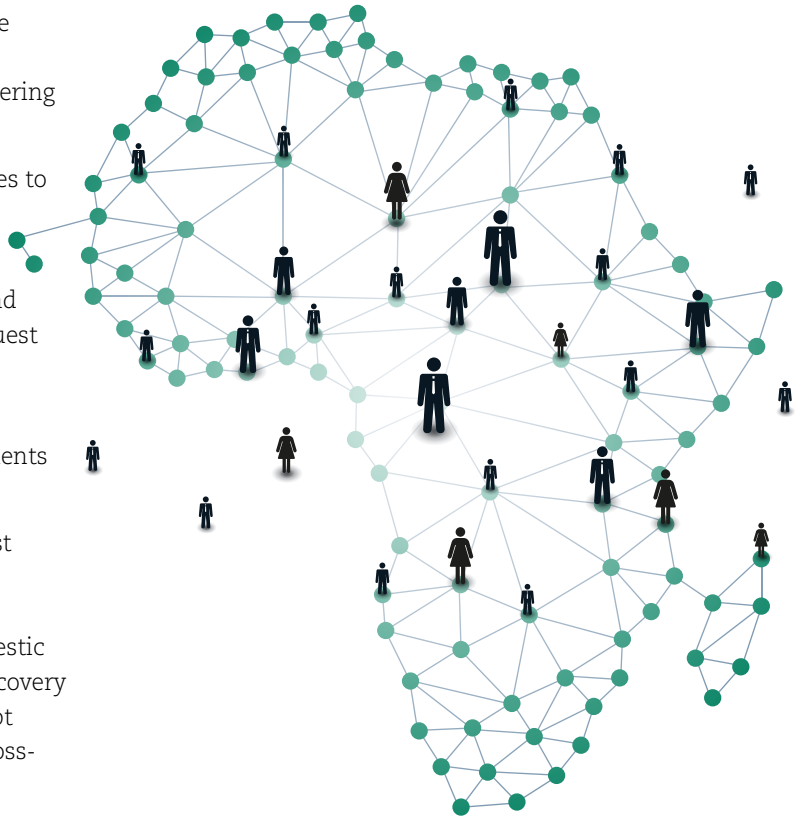
Recommendations of the Working Group

In conclusion, the Working Group recommended that in order for African tax administrations to benefit from cross-border assistance in the recovery of tax claims, African countries should consider:

- strengthening domestic tax claims recovery functions
- developing a strategy for cross-border recovery of tax claims
- adopting an appropriate international legal basis for facilitating cross-border recovery of tax claims.

The findings of the Working Group were welcomed by Africa Initiative members in November 2021 and the Working Group was asked to continue its work in 2022 to put in place the building blocks needed for African countries' effective participation in the cross-border assistance in the recovery of tax claims.

As seen in Box 3, participation in the Working Group has been a positive experience for African tax officials who are enthusiastic about making use of this form of administrative assistance.



BOX 3. Experience of an African official as a member of the Africa Initiative Working Group on cross-border assistance in recovery of tax claims

What has been your experience as a member of the Working Group? Please talk about the constitution of the working group and its working processes

We were very enthusiastic about the announcement of the creation of a working group in relation to debt collection, as it is not every day that we have the opportunity to exchange views with colleagues from other countries on this function. Moreover, cross-border assistance in tax recovery is little or unknown in our countries, which nevertheless face difficulties in recovering tax debts owed by debtor who is not present on the national territory or whose assets are abroad.

The Working Group set up by the Africa Initiative, made up of 24 members representing 12 countries, held four meetings in 2021, all by videoconference. Firstly, a framework was set up, specifying the scope, methodology and work programme. Secondly, a survey on the state of play of cross-border tax collection assistance in African countries was conducted. The results of this survey were summarised in a note presented and validated at the 10th meeting of the Africa Initiative on 16 November 2021.

What is your key take away with regards to the findings of the working group's Note on trends on cross-border assistance in recovery of tax claims in African countries and the conditions necessary for successful recovery?

The Note on trends on cross-border assistance in recovery of tax claims in African countries prepared by the Working Group is a comprehensive document that covered both domestic and cross-border collection because effective cross-border assistance and collection requires an effective domestic tax collection function.

We were able to review the situation of our different tax collection functions at national level. The national legal framework, procedures and organisations were reviewed. Their strengths and weaknesses and the related challenges were identified. Cross-border assistance in tax collection was also examined as it exists today in our countries. A diagnosis which indicates the lack of awareness on this tool and on other types of assistance, in particular exchange of information, which could allow to locate a debtor abroad or to identify his assets abroad. Conclusions were made regarding the key stages, the procedures and the organisation that are still lacking.

Recommendations were made to strengthen national tax collection functions, to develop a strategy for cross-border tax collection and to adopt an appropriate international legal basis. The creation of dedicated structures with appropriate resources, the appointment and sensitisation of staff as well as the formalisation of procedures are other challenges to address.

What are the next steps planned in your country in the recovery of tax claims and how do you think the Working group could assist your country going forward?

In Cameroon, the legal, organisational and procedural framework for the collection of tax debts at the national level is largely satisfactory. The major challenge, which is not unique to my country, remains the resource constraints in terms of both personnel and capacity.

In order to further improve the domestic tax collection function, we want to experiment the Tax Debt Management Maturity Model, self-assess our strengths and weaknesses and make any necessary corrections.

As regards international tax collection, we will have to make the necessary changes, such as setting up a dedicated structure with trained staff and implementing procedures for processing and monitoring outgoing and incoming requests for assistance. The continuation of the Working Group's work on the drafting of a manual on cross-border assistance in the recovery of tax debts, as well as the training courses envisaged in the context of the support of member countries wishing to embark on it, will be of great help to us.

Source: Ms Mariamou Kassimou, Director, Department of Collection, stamps and trusteeship, Directorate General of Taxation, Cameroon, Member of the Working Group.

PARTNERSHIPS TO SUPPORT AFRICAN COUNTRIES

African Union Commission

Through its partnership with the Global Forum, the AU Commission has been influential in advancing the transparency and EOI agenda on the continent. It has been an observer to the Global Forum since 2019 and a signatory to the Yaoundé Declaration since December 2020. The AU Commission has also been the co-author of the TTiA report with the Global Forum and ATAF since 2020.

In order to identify opportunities to further advance the tax transparency agenda in Africa, permanent consultations are established between the Global Forum Secretariat and the AU Commission.

African Tax Administration Forum

The Global Forum has a continuous robust relationship with ATAF. ATAF is an observer to the Global Forum. It has participated in the Africa Initiative since its inception. It jointly publishes the TTiA report with the Global Forum and the AU Commission. ATAF plays a significant role in the promotion of tax transparency and EOI in Africa and collaborates with the Global Forum through practical support to the African jurisdictions. The Global Forum provides technical support to the ATAF EOI Technical Committee that draws on EOI experts in Africa who come together to advance the tax transparency and EOI agenda.

On an annual basis, ATAF and the Global Forum engage to pave out the planned direction for the year. The direction is set out in a work plan with targeted actions. For instance, in 2021, tailored joint capacity building continued for Kenya, Namibia, and Zambia. Collaboration at events took place at the ATAF-GIZ Conference on Transparency and IFFs, held in September 2021

The collaboration between ATAF and the Global Forum has been influential in strengthening the capacities of African jurisdictions in transparency and EOI and this will continue in 2022 and beyond.

African Development Bank

As a partner of the Global Forum, the AfDB has been an observer of the Global Forum since 2015. It has played a key role on policy dialogue with African member countries on tax transparency and EOI matters and it participates in the Tax Transparency in Africa report. The Global Forum and AfDB hold annual engagements to explore ways of strengthening the collaboration on tax transparency and EOI. The actions agreed upon are documented and pursued during the year. Periodic evaluation enables to take stock of progress and refocus efforts. In 2021, the AfDB and the Global Forum continued the ongoing collaboration for the pilot project for Senegal to support the implementation and the use of the EOIR and AEOI standards. The efforts on this pilot project have been successful so far and both partners look to scale up and spread out to other jurisdictions.

European Union

The close ties between the EU and the Global Forum has been going on over the years, in particular in Africa. The EU has always supported the Africa Initiative and actively participates in its meetings. It provides funding to the Global Forum's technical assistance work for a group of countries or for specific countries.

"Africa needs to take bold and tangible actions to consolidate its tax base. Some of the measures include strengthening capacities for raising domestic taxes and significantly reducing illicit financial flows from the continent. These, among others, are critical to achieving the targets and aspirations of the African Union Agenda 2063 as well as the United Nations Sustainable Development Goals. In this respect, the Africa Initiative on transparency and EOI for tax purposes is a step in the right direction in reducing tax evasion or avoidance as well as all other forms of illicit financial flows from Africa."

– **Albert M. Muchanga**, AU Commissioner for Economic Development, Trade, Industry and Mining

In 2021, the programme of work relating to the West Africa Tax Transition Support Programme following the implementation of regional trade liberalisation policies in West Africa continued through EU funding. In the context of the programme of work, the Global Forum delivered capacity-building activities and held meetings with ECOWAS Member States focused on tax transparency and EOI. A virtual training workshop on EOI as a tool to combat offshore tax evasion took place in November 2021 with the participation of representatives of ECOWAS Member States, Mauritania and the WAEMU and ECOWAS Commissions. The Global Forum continued supporting the preparation of draft regional instruments relevant in the context of strengthening the fight against tax evasion and other illicit activities.

The EU further continued funding the Global Forum's capacity-building activities in Tunisia and Egypt, with the technical support of Switzerland and the United Kingdom respectively on specific topics within the context of tax transparency and EOI. It led to positive outcomes as countries in the region have advanced their implementation of the tax transparency standards and improved their tax good governance. For instance, support was extended to Botswana, Eswatini, Namibia in respect to joining the MAAC while Botswana and Seychelles received support to apply for supplementary EOIR (second round) peer reviews so as to upgrade their ratings. The applications for supplementary reviews by Botswana and Seychelles were approved in 2021.

France

France has been a significant partner and donor of the Africa Initiative since its inception and supports the Yaoundé Declaration. The capacity-building programme of the Africa Initiative has benefited from financial contribution from the Ministry of Europe and Foreign Affairs since 2015. France also supports the Global Forum's capacity-building work by providing technical expertise for training events or for technical assistance to specific countries. For example, the Directorate General of Public Finance works with the Global Forum Secretariat to support an effective implementation of the AEOI standard in Morocco.

Norway

Norway (Norwegian Agency for Cooperation and Development) supports African countries in their efforts to advance their tax transparency agenda in particular and the work of the Africa Initiative generally, by funding the Global Forum's technical assistance for African countries. In line with this support, Norway participated in the Africa Initiative meetings held in 2021 and provided valuable input on the Global Forum Secretariat's technical assistance programme.

Switzerland

The co-operation between Switzerland (State Secretariat for Economic Affairs) and the Global Forum Secretariat has a special focus on Africa. The collaboration continued in 2021 with efforts invested to move the tax transparency and EOI agenda forward. For instance, technical support was extended to Tunisia on the on-going CRS-AEOI project, which focused on CDS in 2021. Tunisia will be able to benefit from the legal and practical expertise of Switzerland, which has been exchanging automatically since 2018[12].

12. Switzerland's support to Tunisia has been enhanced to a pilot project in 2022.

"As part of its strategy to support domestic resource mobilisation in developing countries published in June 2020, the French government has chosen to financially support the Africa Initiative, the Global Forum's capacity-building programme for the African continent since its launch in 2014. This programme has produced concrete results, with nearly EUR 1.2 billion in additional tax revenues identified since 2009 [...]. Alongside all its partners, France aims to continue to promote the work of the Global Forum […]. It will continue to work to enable countries that do not have sufficient technical and financial resources to implement tax transparency standards."

– **Franck Riester**, Minister Delegate for Foreign Trade and Economic Attractiveness, attached to the Minister for Europe and Foreign Affairs, France

"The fight against illicit financial flows and international tax evasion cannot thrive without a solid legal foundation combining well thought-out anti-abuse rules, well-trained staff and, above all, an effective tax transparency framework that makes the automatic exchange of information or information on request a priority. For ECOWAS Member States and Mauritania, the sharing of strategies, within the framework of a global policy of harmonisation of legislation and practices, is a key factor for success: this is why I am convinced that a directive on mutual assistance, a model legislation on automatic exchange of information and legal instruments on beneficial owners must be given top priority."

– **Salifou Tiemtore**, Director of the Customs Union and Internal Taxation, ECOWAS Commission

United Kingdom

Apart from being a key partner and donor since the inception of the Africa Initiative, the United Kingdom (Foreign, Commonwealth & Development Office) is a keen supporter of the Yaoundé Declaration. In 2021, it continued to contribute to the capacity-building activities of the Africa Initiative.

The United Kingdom has also been instrumental in joining forces with the Global Forum at country level to support African jurisdictions effectively implement transparency and EOI for tax purposes. For instance, in 2021, joint collaboration at a technical level has been extended in the implementation of AEOI for Kenya and Uganda and in strengthening Egypt's EOI processes and legal framework.

World Bank Group

The WBG has been a partner of the Global Forum since its inception. It has been ardent in promoting the tax transparency agenda and the work of the Africa Initiative. It has provided technical support in the development of the Model Manual for Exchange of Information for Tax Purposes in 2021,[13] which offers guidance to jurisdictions putting in place their EOI infrastructures. At the country level, it has also provided technical assistance and capacity building which has supported African countries align to the tax transparency standards. In line with this support, WBG experts shared experiences as guest speakers during Africa Initiative meetings held in 2021.

West African Tax Administration Forum

In 2021, WATAF joined the Global Forum as an observer. This move formalised and strengthened the ongoing partnership within the framework of the Africa Initiative. It also inaugurated a new era of collaboration between the two bodies in promoting the tax transparency and EOI agenda in West Africa.

Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales

CREDAF is a partner of the Africa Initiative in which it participates since inception. It reinforces the Global Forum's work by encouraging its members, most of which are French-speaking African countries, to participate in tax transparency. It also collaborates with the Global Forum through technical engagements on the tax transparency and EOI agenda. In this regard, the Global Forum and CREDAF held a regional last mile training in July 2021 attended by 15 African countries and 73 participants. The Global Forum Secretariat and the CREDAF meet regularly to explore ways of enhancing the joint work in the promotion of tax transparency and EOI in CREDAF's member countries.

13. OECD / Global Forum, AfDB and WBG (2021), *Model Manual for Exchange of Information for Tax Purposes*, available at https://www.oecd.org/tax/transparency/documents/EOI-manual.pdf. The toolkit is available in English, French and Portuguese. The Spanish version will be released in the first semester of 2022.

Collaboration through Global Forum engagements

The Global Forum has also received tremendous support on its work in Africa through the Africa Initiative platform, working closely with *Agence Française de Development*; Belgium (Federal Public Service Finance); Germany (Federal Ministry for Economic Cooperation Development, *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ)); Independent Commission for the Reform of International Corporate Taxation; Italy (*Guardia di Finanza*); Luxembourg (Ministry of Finance); Japan (National Tax Administration); Netherlands (*Ministerie van Buitenlandse Zaken*); Organisation for Economic Co-operation and Development (Centre for Tax Policy and Administration); Sweden (Swedish International, Swedish Tax Agency); Tax Justice Network – Africa; and the West African Economic and Monetary Union (UEMOA).

Their overwhelming support towards the work done with African countries is a demonstration of the resolve in supporting Africa to effectively mobilise domestic revenues through EOI. Box 4 exemplifies the role played by collaborating partners in advancing the tax transparency agenda in Africa.

BOX 4. **West Africa's fiscal transition support programme**

This Programme is a project funded by the European Union that seeks to support the implementation of fiscal transition programmes in West Africa, following the implementation of regional trade liberalisation policies. In particular, the programme aims to specifically achieve three outcomes:

1. broaden the tax base to increase the level of domestic tax revenue
2. strengthen the co-ordination and institutional capacity of ECOWAS and WAEMU for the implementation, monitoring and evaluation of fiscal transition programmes
3. strengthen advocacy and analysis by civil society, the private sector, and academia and promote public debate on domestic taxation.

Since September 2020, the Global Forum Secretariat has worked closely with the ECOWAS and WAEMU Commissions, their Member States, and Mauritania to strengthened transparency and EOI for tax purposes. In particular technical assistance was provided to:

- the ECOWAS Commission to (i) ensure the conformity of its regional instrument for mutual administrative assistance with international standards, taking into account the regional context, (ii) operationalise the instrument with forms and checklists to facilitate exchanges between competent authorities, and (iii) promote it at the regional level
- the ECOWAS and WAEMU Commissions in the preparation of a model legislation to implement AEOI that can be disseminated to their Member States as part of a regional co-ordination strategy
- the ECOWAS and WAEMU Commissions in the preparation of draft regional instruments to ensure the availability of and access to information on beneficial owners of legal persons and arrangements.

Seven technical meetings with representatives from the Commissions, the Member States and Mauritania have been organised since 2020.

In addition, over 70 tax auditors and EOI unit officers from ECOWAS and WAEMU Member States and Mauritania were trained in two events to strengthen the effective use of EOI mechanism in the region. These trainings were focused on the connection between the domestic tax investigation, the information-gathering framework and the international infrastructure for EOI.

African countries' improving commitment to tax transparency

3

"The Africa Initiative is our initiative, for the benefit of our African countries and the continent at large. There is growing commitment of African countries subscribing to the tax transparency agenda through the Yaoundé Declaration. It is encouraging to see 9 African countries committed to the AEOI standard by 2024.

As tax evasion and avoidance practices becomes more sophisticated, AEOI presents an crucial detection tool for every tax administration. If there is ever an area for tax administrations to co-operate in, it is in the areas of tax transparency and exchange of information. It is only through close co-operation that we can collect revenues that are already part of our taxing rights and uplift the lives of ordinary Africans, especially those who are marginalised. I am reminded of the African Proverb – If you want to go fast go alone, if you want to go far, go together."

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

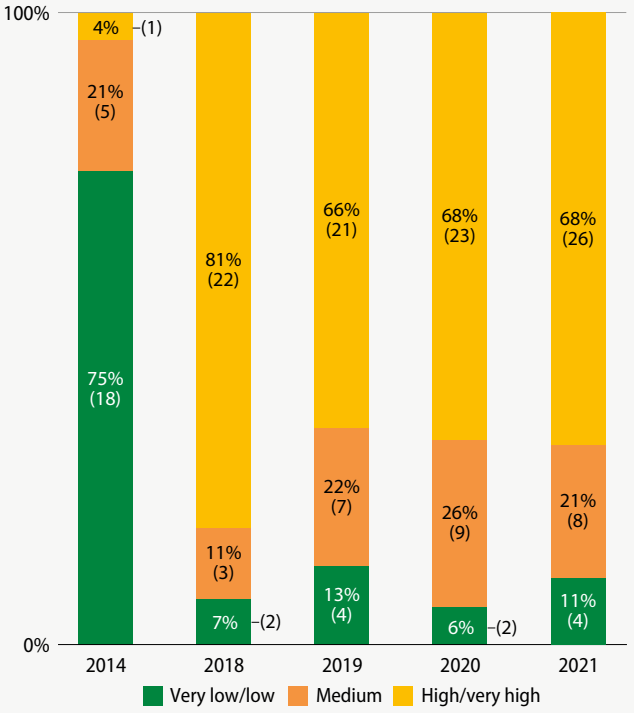
All members of the Global Forum are committed to implement the standards of transparency and EOI for tax purposes and to be peer reviewed. This section analyses the level of commitment accorded to EOI by African countries and the progress they made in the implementation of the two international standards (EOIR and AEOI standards) in 2021.

INCREASED PRIORITY ACCORDED TO EXCHANGE OF INFORMATION

The level of priority accorded to EOI is measured based on the responses of 38 African countries who replied on this item to the questionnaire, instead of 34 countries last year.

In 2021, the level of priority remained stable, with a majority of the 38 African countries that responded to the survey giving high priority to EOI (68%), as depicted on Figure 3. Jurisdictions that gave low priority attributed this to (i) the lack of a culture and strategy for using EOI and (ii) the fact that EOI is not yet integrated into the business model of some tax administrations. In contrast, African countries that gave high priority explained that they have taken enhanced measures to implement EOI. The extension of the statute of limitations in the case of a request for information sent abroad, or the extension of the duration of the on-site audit in the presence of cross-border tax issues are two manifestations of these measures. For all, EOI is one of the most effective means to fight tax evasion and IFFs and to improve DRM.

FIGURE 3. **Share of countries giving low, medium and high-level priority to EOI**



Note: The graph reflects the situation for the African countries which have provided data for the relevant years.

Source: Responses provided to questionnaire by African countries.

The increasing interest of African countries in transparency and EOI is illustrated through new membership to the Global Forum and adherence to the Yaoundé Declaration. In 2021:

- WATAF joined the international fight against tax evasion by becoming the Global Forum's 20th observer. As an observer to the Global Forum, WATAF will contribute to the promotion of international EOI among tax administrations as a powerful tool to tackle cross-border tax evasion and improve DRM.
- Algeria became the 163rd member of the Global Forum and the 33rd member from Africa.
- Algeria and Rwanda also added their voice to the Yaoundé Declaration 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.

IMPLEMENTATION OF THE EXCHANGE OF INFORMATION ON REQUEST STANDARD

The Global Forum has established a peer review process in relation to the EOIR standard, which is already in its second round, with enhanced Terms of Reference since 2016.[1] The monitoring and peer review processes provide assurance to Global Forum members that all jurisdictions are properly implementing the standards and highlight where improvements are needed.

1. The 2016 EOIR Terms of Reference 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.

In 2021, the Global Forum published new peer review reports assessing the legal and regulatory framework against the international standard on EOIR for four African countries: Côte d'Ivoire, Kenya, South Africa and Tanzania. Travel restrictions owing to the COVID-19 pandemic having prevented assessors from performing on-site visits to evaluate the practical implementation of the EOIR standard, these reports only covered the jurisdictions' legal and regulatory frameworks against the EOIR standard. Ratings for each element and overall ratings will be attributed at a later stage, once on-site visits are carried out and full reviews have been completed.

Nevertheless, the challenge posed by the enhanced EOIR standard was confirmed in 2021, as none of the four African countries assessed reached an "In Place" determination for the availability of ownership and identity information. There remains scope for improvement in clarifying the range of beneficial owners to be identified and for ensuring that beneficial ownership information is available in all cases. The Global Forum Secretariat has therefore continued to offer support to African countries in 2021, to address the gaps identified in the implementation of the EOIR standard during the peer review process. As demonstrated in Box 5, this support has resulted in the request for a supplementary review to upgrade the ratings by two African countries being granted as they demonstrated that they had taken actions that were likely to improve availability of, access to and the exchange of information.

IMPLEMENTATION OF THE STANDARD OF AUTOMATIC EXCHANGE OF INFORMATION

In September 2013, the G20 called upon the OECD to develop a common reporting standard for the automatic exchange of financial account information. In 2014, the OECD adopted the AEOI standard which was subsequently endorsed by the G20. Table 1 provides an overview of the AEOI standard.

AEOI is a powerful weapon in the fight against cross-border tax evasion as it enables tax authorities around the world to receive, annually, without prior request, the details of their residents' financial assets held and income earned in other jurisdictions. AEOI is complementary to EOIR, and it may lead to better and more targeted requests for information.

In order to ensure the widespread implementation of the AEOI standard, the Global Forum initiated a commitment process in 2014. All developed countries and financial centres were invited to commit to implement this standard in time to commence first exchanges in 2017 or 2018, and to exchange information with all interested appropriate partners (being all those jurisdictions interested in receiving information and that meet the expected standards in relation to confidentiality and data safeguards). However, in recognition of the unique challenges of developing countries that do not host a financial centre, these countries, while committed to implement this standard in a practical timeline, were not required to do it by a defined date as they posed a low risk to level the playing field.

Since the first exchanges that took place between 49 jurisdictions in 2017, more jurisdictions have committed to start automatic exchanges. As at the end of 2021, 121 jurisdictions had committed to exchanging information automatically on a specific date, out of which 101 jurisdictions had already started doing so.[2] In 2020, information on at least of 75 million financial accounts worldwide, covering total assets of nearly EUR 9 trillion (USD 9.4 trillion), was exchanged automatically.[3]

The 33 members of the Africa Initiative are committed to take steps towards implementing AEOI with the technical support of the Global Forum Secretariat, including on CDS as part of the core stage of the 2021-2023 action plan of the Africa Initiative.

The Africa Initiative advocacy and capacity-building work continues to impact African countries' commitment to the tax transparency agenda. Figure 4 shows the impact of the continued support to African countries from the Global Forum Secretariat and its partners.

2. See exchanges of information under the AEOI Standard (as on 12 May 2022), available at https://www.oecd.org/tax/transparency/documents/AEOI-exchanges.pdf.

3. OECD (2021), *OECD Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors, Italy, October 2021*, OECD, Paris, available at https://www.oecd.org/tax/oecd-secretary-general-tax-report-g20-finance-ministers-october-2021.pdf.

BOX 5. **Steps taken to obtain a supplementary review**

BOTSWANA

Botswana is a member of the Global Forum since 2011. All members of the Global Forum, including Botswana, have committed to implementing the EOIR standard and to be peer reviewed.

Botswana's legal and regulatory framework for EOIR and its practical implementation was assessed by the Global Forum against the enhanced 2016 Terms of Reference in 2019 (second round). The Second Round report, adopted by the Global Forum in July 2019, rated Botswana overall "Partially Compliant", which was a downgrade from the overall "Largely Compliant" obtained in the 2016 EOIR peer review report (first round). The main deficiencies identified were:

- gaps in the legal and regulatory framework in respect of the availability of beneficial ownership information (Elements A.1 and A.3)
- gaps in the legal and regulatory framework in respect of the availability of accounting records (Element A.2)
- lack of strong supervision programmes for ensuring the availability of legal and beneficial ownership information and accounting records (Elements A.1, A.2, and A.3)
- gaps in providing requested information to partners on a timely manner and lack of status updates (Element C.5).

In light of these results, Botswana enlisted the support of the Global Forum Secretariat to address the recommendations made in the 2019 report and prepare to apply for a supplementary review to upgrade its ratings.

Among other things, the Global Forum Secretariat helped Botswana develop an action plan to address the 2019 recommendations, which included reviewing relevant laws and proposed amendments, as well as providing guidance on potential areas of improvement. As a result, in 2021, Botswana undertook a number of reforms including:

- introducing changes to the AML framework and the commercial laws governing the formation and operations of legal entities and arrangements to embed the requirement for ensuring the availability of beneficial ownership information
- introducing changes to relevant laws to ensure the availability of accounting information
- strengthening supervision and enforcement of relevant laws to ensure the availability of beneficial ownership information and accounting records
- streamlining EOI processes including initiating updates to the manual governing the procedures applicable to EOI and taking steps to improve response times.

Consequently, Botswana formally submitted an application for a supplementary review to the PRG of the Global Forum in November 2021, indicating that Elements A.1, A.3 and C.5 were likely to be upgraded. In December 2021, the PRG accepted Botswana's request, and indicated that, in order to assess the implementation in practice of the recently amended laws, the supplementary review should include an onsite visit and should be scheduled in the first quarter of 2023, subject to the possibility to travel.

Since the approval of its request for supplementary review, Botswana has continued to work with the Global Forum Secretariat to address outstanding recommendations from the 2019 report. During its plenary session held on 21 October 2021, the Financial Action Task Force removed Botswana from its list of jurisdictions "under increased monitoring" which is also a positive consequence of steps taken by Botswana to improve its legal framework for EOIR.

Source: Botswana Unified Revenue Service (BURS) and Ministry of Finance and Economic Development.

SEYCHELLES

Seychelles has been a Global Forum member since 2009 and have implemented the EOIR and AEOI standards.

Seychelles' second round EOIR peer review, assessed against the 2016 Terms of Reference, was published in April 2020, with an overall rating of "Partially Compliant", which was a downgrade from the overall "Largely Compliant" obtained in the first round EOIR Peer Review in 2015.

Seychelles was committed to improving its EOIR rating hence engaged in an extensive reform programme to address the deficiencies identified by the peer review report. The EOI programme focused on:

- amending the legislation underpinning availability and access to information
- strengthening supervision and monitoring, as well as enforcement and penalties
- streamlining EOI processes
- implementing a tracking system and building a statistics database
- EOI capacity-building initiatives within the tax administration and for taxpayers
- expansion of the EOI network to include all relevant jurisdictions.

In implementing its reform programme, Seychelles enlisted the support of the Global Forum Secretariat. In this regard, the Global Forum Secretariat worked with Seychelles officials during 2020 and 2021 to provide the technical assistance required. Amongst others, the Global Forum Secretariat helped the Seychelles develop an action plan to address key deficiencies, reviewed the relevant legislation and guidelines shared by the Seychelles, as well as held discussions on areas of possible improvement.

With Seychelles keen to work towards fully implementing the EOIR standard, the actions taken bore fruit giving strong ground to request an EOIR supplementary review with a hope of an improved overall rating. In August 2021, Seychelles formally applied for a supplementary EOIR review. In its application, Seychelles indicated that it had made significant improvements in addressing recommendations made by the Global Forum and felt it was able to significantly improve its ratings if an EOIR supplementary review was conducted.

The PRG acknowledged that the Seychelles had taken deliberate steps towards compliance with the EOIR standard and that a supplementary review was likely to improve the rating. The PRG decided that the supplementary review would be scheduled for the second half of 2022 and should include an on-site visit, as many of the 2020 recommendations focused on the implementation of the standard in practice.

Further to the approval by the PRG of a supplementary review, Seychelles has continued to make substantial progress in its EOI reforms. For instance, the International Business Companies Act and other Related Laws (Amendment) Act, 2021 was published in the Official Gazette on 20 December 2021. It amended four pieces of legislations, namely the:

- International Business Companies Act, 2016
- Foundations Act, 2009
- Limited Partnerships Act, 2003
- Trusts Act, 2021.

The improvements in Seychelles continue in 2022, especially through maintaining efforts to ensure the supervision and enforcement recommendations are effectively addressed, in view of the upcoming supplementary review.

Source: Seychelles Revenue Commission (SRC).

African countries' improving commitment to tax transparency

FIGURE 4. **Status of African countries' participation in automatic exchange of financial account information**

2017	2018	2019	2020	2021	2022 (Expected)	2023 (Expected)	2024 (Expected)
Seychelles	**Mauritius**	**Ghana**	Ghana	Ghana	Ghana	Ghana	Ghana
South Africa	Seychelles	Mauritius	Mauritius	Mauritius	**Kenya**	Kenya	Kenya
	South Africa	Seychelles	**Nigeria**	Nigeria	Mauritius	Mauritius	Mauritius
		South Africa	Seychelles	Seychelles	**Morocco**	Morocco	Morocco
			South Africa	South Africa	Nigeria	Nigeria	Nigeria
					Seychelles	Seychelles	**Rwanda**
					South Africa	South Africa	Seychelles
						Uganda	South Africa
							Uganda

Consideration for a date of first exchanges: Senegal and Tunisia *(On 5 January 2022 Tunisia committed to begin exchanges in 2024)*

Source: Global Forum Secretariat's compilation and https://www.oecd.org/tax/transparency/AEOI-commitments.pdf

In 2021, Uganda and Rwanda announced that they will start AEOI in 2023 and 2024 respectively. They will join five others (Ghana, Mauritius, Nigeria, Seychelles and South Africa), which are already exchanging information under this standard, as well as Kenya and Morocco, which are committed to start their first exchanges in 2022. Two others (Senegal and Tunisia[4]) have launched preparations to implement AEOI and are currently considering committing to a specific date for first exchanges. Lesotho also started the work on confidentiality and data safeguard in order to assess its readiness to AEOI and take an informed decision.

In 2021, the Global Forum Secretariat intensified technical assistance delivery to African countries that have committed or that are at an advanced stage of committing to a date for first automatic exchanges. Box 6 highlights the critical role of this technical assistance in aiding African countries to put in place the building blocks essential to participation in AEOI.

CRS data may enable the tax administrations have a global picture of the financial assets held in foreign countries by their tax residents. It can therefore help build up the taxpayers profile to facilitate risk profiling and enable better audit case selection. One of the main challenges faced by countries that are already exchanging information automatically is how to use the CRS data in the most effective way.

As a first step, for a country to make use of the CRS data, it should be able to match it with data available on its taxpayers domestically. As African countries are starting to implement the CRS, there is a need to build their capacity to use the data received. Two African countries (Mauritius and South Africa) have adopted systems for tracing revenue identified or recovered using CRS data. Box 7 shows the steps taken by South Africa to make effective use of CRS data. In order to support the African countries receiving CRS data and those committed to a specific date for first exchanges, the Africa Initiative leadership identified the need to raise awareness on how CRS data can be used to enhance tax compliance as a priority need. This was the objective of a workshop on effective use of financial account information held by the Global Forum Secretariat in 2021. The workshop was followed up with country-specific technical assistance on the use of CRS data. Nigeria is the first African country to benefit from this new form of assistance.

4. Tunisia committed on 5 January 2022 to begin first exchanges in 2024. For more details see https://www.oecd.org/tax/transparency/documents/tunisia-commits-to-start-automatic-exchange-by-2024.htm.

BOX 6. **UGANDA: from exchange on request to automatic exchange**

Uganda joined the Global Forum in 2012 with the objective of putting in place the appropriate framework to use EOI as a tool to improve its DRM. With the support of the Global Forum working with its partners, Uganda put significant efforts to build its EOI infrastructure.

This included:

- the establishment of an EOI unit within the Uganda Revenue Authority in 2014
- the signature and ratification of the MAAC which entered into force in 2016
- expanding the EOI network from nine partners under bilateral agreements to over 140 jurisdictions
- the improvement of the legal framework and the overall tax transparency landscape in the country.

These efforts enabled Uganda not only to comply with the international standards as recognised by the overall "Largely Compliant" rating assigned during its EOIR round one peer review, but also to enhance the fight against cross-border tax evasion and increase revenue mobilisation.

In view of the progress made on the EOIR front and the first results obtained over the past few years, Uganda took steps to implement the AEOI standard. Uganda's journey started in 2018 when the Global Forum and ATAF provided support in determining a practical timeline for the implementation of this standard in the country. The support was through an in-person technical mission held in Uganda followed by virtual support that continued thereafter.

The results came to fruition in February 2021, as Uganda committed to start AEOI, with first exchanges in 2023 through a communication from the Minister of Finance Planning and Economic Development, Honourable Matia Kassaija, who gave assurance that Uganda was ready to put in place all the necessary internal and international frameworks to that end. The Global Forum Secretariat launched an intensive technical assistance programme to assist Uganda, to which the United Kingdom partnered, with a focus on putting in place the building blocks:

- the international and domestic legal framework
- the confidentiality and data protection safeguards requirements, including with respect to information security management (ISM)
- IT and administrative capacity.

Uganda took the following concrete actions in 2021:

- An interagency team comprising of representatives from the Central Bank of Uganda, the Ministry of Justice, the Registrar of Companies, the Financial Intelligence Agency, the Ministry of Finance and the Uganda Revenue Authority (URA) was inaugurated.
- An internal team within URA, including IT security experts, IT software experts, research team, domestic taxes and the EOI team, was set up to spearhead the implementation.
- Uganda signed the CRS-MCAA.
- The primary legislation was passed.
- Substantial work was undertaken regarding the secondary legislation for the implementation of AEOI, which is planned to be passed in 2022.
- Preliminary assessment and discussions have been held on the confidentiality and data safeguards. This will continue in 2022.

The next steps relate to:

- finalising Uganda's domestic legal framework
- consulting the financial industry
- addressing the recommendations on the confidentiality and data safeguards framework
- building up the IT platform for reporting from the financial institutions
- linking the reporting platform with the common transmission system to enable exchange and receipt of data with foreign partners.

With the AEOI standard implemented, Uganda believes it will strengthen its tax administration's capacities to tackle tax evasion in order to leverage and complement the DRM strategies planned.

Source: Uganda Revenue Authority (URA).

BOX 7. **SOUTH AFRICA: practical use of CRS data**

South Africa was among the 49 early adopter jurisdictions which undertook first exchanges in 2017. From the beginning, South Africa has been exchanging information on a reciprocal basis and is putting in place processes for making effective use of the information received.

Why does the South African Revenue Service (SARS) consider information received under the AEOI standard more important compared to information received from other sources?

In the first instance, CRS data is important to SARS because it is aligned to two of its nine strategic objectives namely:

- to expand and increase the use of data to improve integrity, derive insight and improve outcomes
- to work with, and through stakeholders, to improve the tax system.

Secondly, SARS recognises the ever changing technological, social and business environments, which bring about global opportunities for individuals/entities while also bringing challenges to the tax system. CRS data is enabling access to a global view of the taxpayer's financial position, allowing SARS to determine liability to tax in South Africa, comprehensively compute taxes due and maximise collection of revenues.

Thirdly, automatic exchanges give SARS access to bulk taxpayer financial data, which was ordinarily not easily accessible from taxpayers or holders of information. This also has a deterrence effect as taxpayers know that SARS is participating in AEOI and will have access to this information therefore leading to voluntary compliance.

Lastly, the CRS data improves the SARS risk identification processes, quality of case creation and tax collections which are ordinarily difficult to secure.

What steps has SARS taken to utilise the information received under AEOI? How is this information used? Has it led to follow up EOIR requests to the sending jurisdictions?

Upon receipt, CRS data is cleansed and matched to the SARS taxpayer demographic database. The EOI team also extracts the unmatched data and communicates matching rates to affected partner jurisdictions. This is to enable partner jurisdictions to reflect on the data exchanged and engage with affected financial institutions to improve data quality. Matched and unmatched data is also periodically made available to SARS divisions such as high-net-worth individuals, VDP, audit and large business & international. These divisions use the data for risk profiling and identification processes.

Whereas SARS has not made an EOIR from CRS data received, processes are in place in case additional information is required from the partner jurisdictions. At this stage, SARS is assessing the completeness of the data and uses the competent authority to competent authority engagement protocols to communicate challenges in an endeavour to improve data quality.

What are the challenges that SARS has faced in its quest to use the information received under the CRS? What steps has SARS taken to overcome these challenges?

SARS has faced two main challenges:

- Low matching rates: to manage this, SARS periodically keeps track of matching rate percentages across partner jurisdictions and initiates engagements where matching rates is low or is reducing.
- Low level of awareness on availability of data exchanged under AEOI: SARS' EOI team came to recognise that majority of personnel in the organisation had little knowledge about EOI or the processes of accessing or requesting the data. In response, the EOI team initiated an ongoing awareness campaign where they have partnered with the SARS Institute of Learning to co-facilitate some of their trainings, to explain the EOI processes and the function of the EOI unit.

Why does SARS consider it necessary to monitor the tax, including interest and penalties, identified as a result of AEOI?

SARS' investment strategy includes an assessment of the linkages and outcomes of its nine strategic objectives, which also includes the ability to track and communicate yields from initiatives undertaken. It is therefore important that SARS tracks tax, including interest and penalties attained from AEOI so that return on investment and reinvestment is justified.

Source: South African Revenue Service (SARS).

As at the end of 2021, only 27% of the Africa Initiative members (9 out of 33 countries), representing only 17% of the continent, have committed to AEOI with specific timelines. Although, this number has steadily increased and more than doubled over the past four years, showing an increasing interest, Africa's participation in this standard is still far behind its potential. As the participation of African countries in EOIR is maturing, one of the enhanced building blocks for the Africa Initiative during its current mandate (2021-2023) is to provide support to countries more experienced in EOIR to transition to AEOI.

In 2021, the Global Forum Secretariat intensified technical assistance delivery to African countries that have committed or that are at an advanced stage of committing to a date for first automatic exchanges.

4 Strengthened infrastructures for exchange of information

In order to effectively participate in and benefit from international tax co-operation through EOI, a jurisdiction must have in place a minimum level of infrastructure. As a foundation, a jurisdiction must have a broad network of EOI instruments that provides a legal gateway for collaboration with other jurisdictions. It should also have an appropriate organisation structure and processes to facilitate EOI. This includes a delegation of the CA powers to the tax administration, a well-resourced EOI unit to handle incoming and outgoing requests, a process manual that documents and guides tax administration officials involved in the EOI function and a mechanism for tracking requests to ensure that it meets its commitments under the international standard. This section analyses the evolution of these essential building blocks in African countries and their position as at the end of 2021.

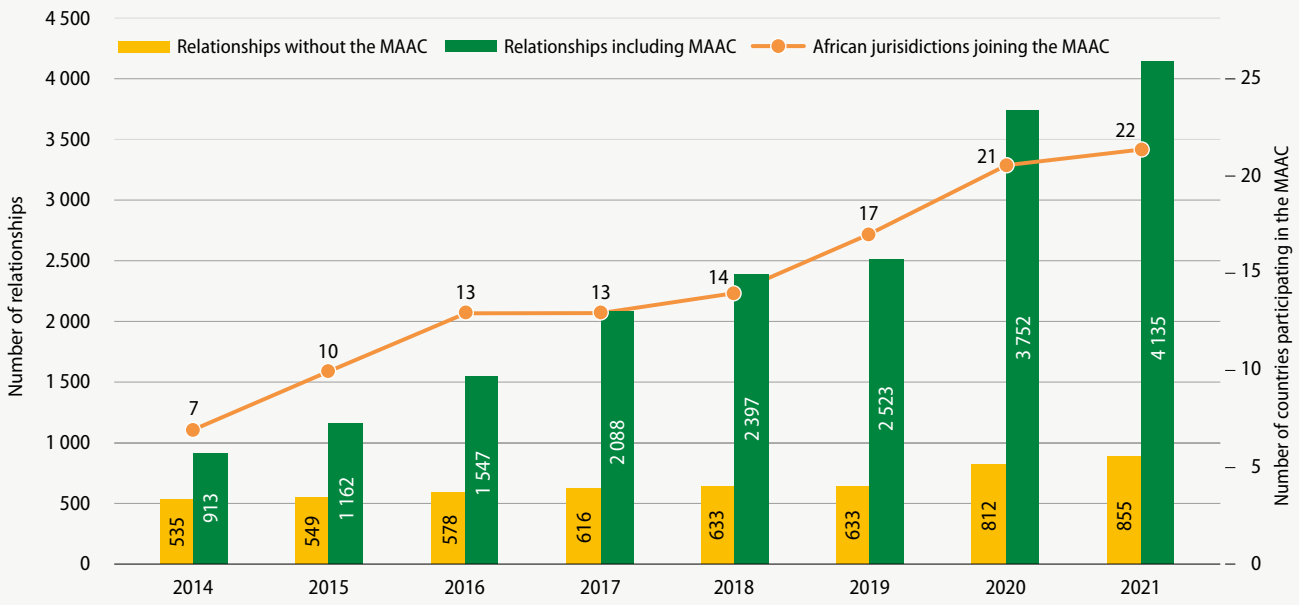
BROADENING EXCHANGE OF INFORMATION NETWORKS

An international legal framework is the foundation for international administrative assistance in tax matters: there can be no EOI between countries if there is no legal basis to support it. A wide network of international agreements that provides for EOI is therefore critical if a country is to benefit from EOI as it provides a gateway with diverse countries. For this reason, broadening African countries' EOI networks is a key component of the 2021-2023 Africa Initiative action plan.

African countries have been rapidly expanding their EOI networks since 2014. The progress manifested in 2020 continued in 2021 with 383 new EOI relationships created. A majority of these new relationships were created through the MAAC: one more country (Rwanda) signed the MAAC while three others (Botswana, Eswatini and Liberia) deposited their instruments of ratification. Whereas part of this increase can also be attributed to new countries taking part in the survey for the first time or concluding new double taxation conventions (DTCs), this is limited to 43 bilateral relationships. Figure 5 shows the evolution of EOI relationships of African countries and the critical contribution of the MAAC in establishing those relationships. In addition, one of the main advantages of joining the MAAC is that a country's network of EOI partners will increase whenever a new country joins without having to undertake and conclude bilateral negotiations. Thus, the EOI networks of African countries were also expanded when other countries joined the MAAC in 2021.

Figure 6 demonstrates that the fastest way of expanding the EOI network is by joining multilateral instruments, such as the MAAC. In addition, all EOI relationships created under the MAAC are always in line with the international standard and this is helpful for the EOIR peer review when the bilateral EOI agreements are not aligned to the standard. African countries, which are signatories to the MAAC, have a larger network of EOI partners compared to those who are entirely reliant on bilateral agreements with an EOI provision such as DTCs or agreement specifically designed for EOI such as tax information exchange agreements. As a general trend, African countries that are not members of the Global Forum tend to have fewer EOI relationships which can be attributed to their limited awareness of the importance of having a wide network of EOI partners.

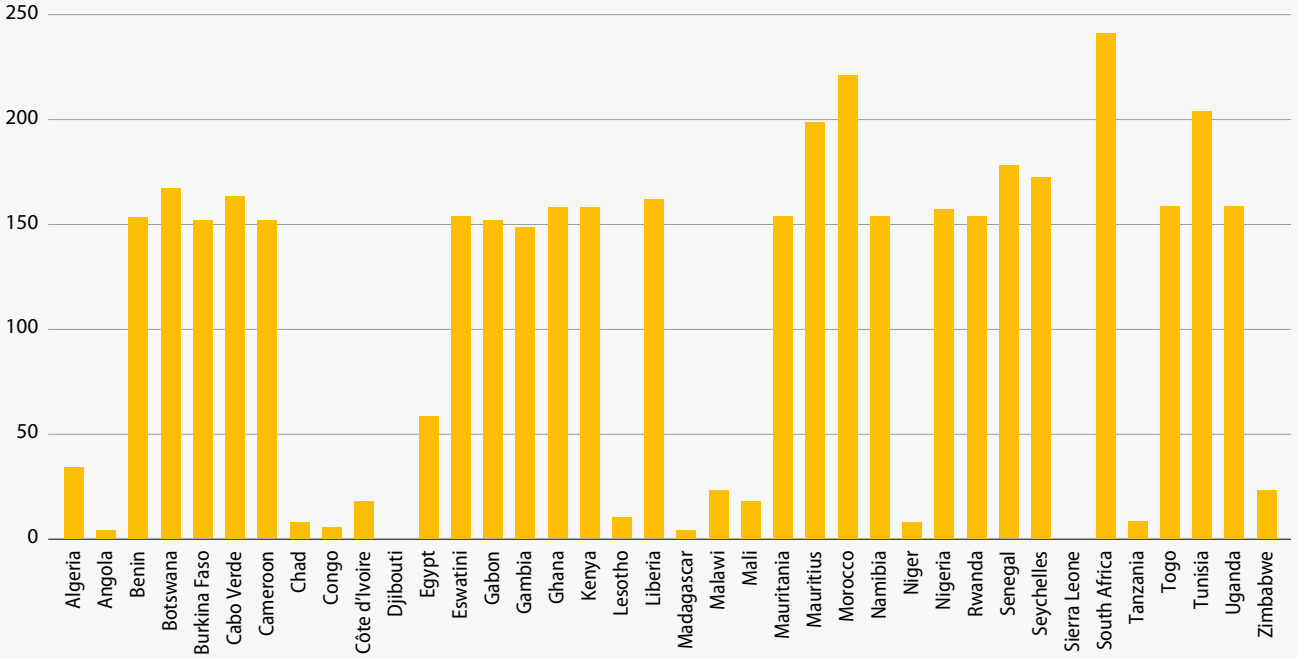
FIGURE 5. **Number of relationships for exchange of information created by African countries since 2014**



Note: The graph reflects the situation of 38 countries which provided data, including Algeria which provided data for the first time for the year 2021.

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

FIGURE 6. **Number of exchange of information relationships, by country**



Note: The graph reflects the situation of 41 countries which provided data since the first Tax Transparency in Africa report (Algeria provided data for the first time for the year 2021, while Guinea and Zambia participated in the 2021 survey but not in this year's survey).

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

The MAAC has been signed by 22 African countries (40% of African countries) (see Table 4), all of whom are members of the Global Forum. One more country (Angola) has been invited to sign the MAAC, joining Madagascar in this journey. Nonetheless, only 67% of the membership of the Africa Initiative (22 out of 33 countries) are signatories to the MAAC, which means 11 are yet to join the MAAC and rapidly expand their EOI networks. Moreover, out of the 22 African countries that have signed the MAAC, only 16 have ratified it and brought it into force, meaning that the MAAC is only in effect for 48% of the Africa Initiative membership. The remaining six are at various stages of the domestic processes for ratifying and depositing the instruments of ratification of the MAAC. While some of these are relatively recent signatories such as Rwanda as seen in Table 4, some others are yet to deposit their instruments of ratification more than one year after they signed the MAAC (Benin, Burkina Faso, Gabon, Mauritania and Togo). All signatories are encouraged to expeditiously conclude the domestic ratification process and deposit the instrument of ratification for the MAAC to come into effect and be of use to the tax administration in facilitating administrative assistance in tax matters from other countries.

ENHANCING THE ORGANISATION OF THE EXCHANGE OF INFORMATION FUNCTION ON THE CONTINENT

One central component of the EOI infrastructure is the EOI unit. This is the office in charge of running the EOI business on a daily basis. Placing this unit in the tax administration usually implies that the CA function has been delegated by the minister of finance to the head of the tax administration or that the head of the tax administration is designated as primary CA in the international agreement. Such a delegation usually ensures efficiency such as reducing the turnaround time for managing requests and enhancing confidentiality. An effective EOI tracking system[1] and a sound EOI manual[2] are also essential for the operations of EOI as it helps document and monitor progress in the handling of

1. EOI activities should be closely monitored by the EOI unit because incoming requests should be processed and responded to in a timely manner and outgoing requests need a follow-up on their treatment by the requested jurisdictions or on any requests for clarification. The monitoring and tracking of the EOI activities are also critical to ensure confidentiality and in case of unlawfully disclosure, to support investigations.

2. The EOI manual presents the legal requirements and practical processes governing EOI and how the different forms of EOI can assist in the detection of tax evasion and avoidance.

TABLE 4. **Status of African countries' adhesion to the MAAC**

Description	Numbers	Countries
Convention signed and ratified	16	Botswana; Cabo Verde; Cameroon; Eswatini; Ghana; Kenya; Liberia; Mauritius; Morocco; Namibia; Nigeria; Senegal; Seychelles; South Africa; Tunisia; Uganda.
Convention signed but not yet ratified (year of signature)	6	Benin (2019); Burkina Faso (2016); Gabon (2014); Mauritania (2019); Rwanda (2021); Togo (2020).
Invited to sign (year of invitation to sign)	2	Angola (2021); Madagascar (2019).

Note: The date in brackets indicates the date on which the countries that have not yet ratified or deposited the instruments of ratification signed the MAAC.

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

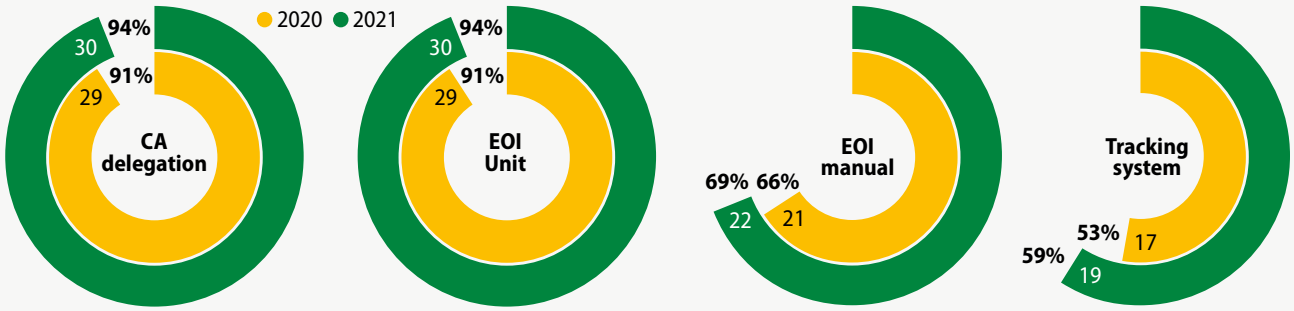
specific cases and measure the performances of the unit. Finally, EOI trainings should be regularly delivered to tax auditors and investigators, and other relevant tax officials (tax compliance and recovery functions).

In 2021, EOI infrastructures have continued to improve in African tax administrations (see Figure 7):

- The delegation of the CA power to the tax administration and the implementation of an EOI unit have slightly increased: 30 countries in 2021 instead of 29 in 2020 for the 32 African countries which have provided data for both 2020 and 2021. In addition, three out of the six new respondents (50% of them) have delegated the CA function and implemented an EOI unit.
- The use of an EOI manual has also progressed: 22 countries in 2021, compared to 21 in 2020, have an EOI manual in place. However, five out of the six new respondents (84% of them) do not have such a tool.
- The use of an EOI tracking tool also increased: 19 African countries are using such a tool in 2021 compared to 17 for the same countries in 2020. However, only two out of the six new respondents (33% of them) have an EOI tracking tool.

African countries are putting more resources on the operationalisation of EOI within their tax administrations. For the 32 African countries which have provided data for both 2020 and 2021, the staff in charge of EOI increased from 118 to 133. Box 8 shows the evolution of Kenya's EOI unit which has adapted to new needs and the increase in the number of EOI requests sent and received. Ensuring that the staff is well equipped to deal with EOI requests, by providing them with adequate trainings to build their skills, is equally important. Over years, the Africa Initiative has delivered appropriate trainings on EOI to tax administrations. In 2021, 1 514 officials participated in trainings delivered by the Global Forum Secretariat. To this unprecedented number should be added the nearly 900 tax officials who received training from their colleagues newly qualified as EOI trainers under the first Global Forum's Train the Trainer programme.

FIGURE 7. **Evolution of the infrastructure for exchange of information**



Note: The graph reflects the situation for the 32 African countries which have provided data for both 2020 and 2021.

Source: Responses provided to questionnaire by African countries.

BOX 8. **KENYA: evolution of the EOI unit**

Kenya joined the Global Forum in 2010. At this point, Kenya did not have an EOI unit in place to handle EOI and faced challenges in ensuring the transparency of its taxpayers' cross-border activities. Kenya had a limited network of EOI partners with nine double tax conventions despite the huge demand for EOI from the audits of cross-border transactions.

Following the support from the Global Forum Secretariat which started in 2013, Kenya kicked off its EOI journey by establishing its EOI unit in 2014 under the Large Taxpayers Office of the Domestic Taxes Department and devoted some resources to it including three officials. Kenya also delegated the CA powers from the Cabinet Secretary, National Treasury and Planning to the Commissioner General of KRA who in turn delegated the day to day administration of the EOI function to the Commissioner, Intelligence & Strategic Operations Department in 2018.

Although Kenya had established the minimal infrastructure for EOI, Kenya sent only one request during the period 2014 to 2018. This was due to manual EOI processes, the lack of awareness on the potential of EOI from tax auditors and investigators, and a limited EOI network of only nine double tax conventions.

With the objective of strengthening the EOI function, KRA embarked on a strategy in 2019 aimed at making the country a visible player in the global tax transparency community.

The following actions were taken:

- In order to strengthen the EOI function, the function was restructured and repositioned in the KRA organisation chart and physically relocated to a new office designated for EOI staff only;
- More resources were allocated to the EOI unit including increasing its staff from three in 2014 to nine officials in 2021;
- The staff underwent EOI trainings in various areas of tax transparency;
- The MAAC which had been signed in 2016 was ratified and came into force in 2020, which widened the information reach to more than 140 partners.

The priority given by Kenya to EOI and the EOI unit's efforts have had ripple effects. The two participants of the Global Forum Secretariat's Train the Trainer programme have already trained 283 staff. The use of EOI has steadily increased from 1 request in 2018 to 17 in 2019, 73 in 2020 and 173 in 2021. This resulted into increased revenue gain realised with EUR 1.1 million (USD 1.05 million or KES 130 million) in 2019, EUR 86 000 (USD 82 560 or KES 10.5 million) in 2020 and EUR 8.1 million (USD 8.5 million or KES 985.2 million) in 2021.[1]

Building on this success, Kenya has embraced a new challenge by committing in 2020 to implementing the AEOI standard with first exchange in September 2022. With the support from the Global Forum, and partners, including the United Kingdom (Her Majesty's Revenue and Customs) and ATAF, Kenya has implemented the relevant international legal framework and passed its primary legislation. In parallel, it developed its secondary legislation and actively worked to set up a solid CDS framework, including ISM and the relevant IT and administrative capacity.

The evolution of the EOI function in Kenya over the years is a demonstration of the critical role played by top management strong support and involvement to improve the organisation of the EOI unit, provide the resources needed and enhance the relevant confidentiality principles, with an aim of effectively increasing domestic revenue mobilisation through tackling cross-border tax evasion.

Source: Kenya Revenue Authority (KRA).

1. This report uses the exchange rate KES/EUR as on 11 May 2022 for figures declared for 2021.

Impact of transparency and exchange of information on domestic resource mobilisation

5

EOI for tax purposes is not an end in itself but a means for enabling tax administrations to access formerly unavailable information to aid their tax audits, investigations and other compliance activities. This section analyses how African countries are using their improved EOI infrastructure to request relevant information, access information and translate the information received into revenue gains for their countries.

USE OF REQUEST FOR INFORMATION BY AFRICAN COUNTRIES

To effectively combat tax evasion and avoidance, tax auditors should use the EOI infrastructure to request relevant information, which is held abroad, for their tax audits or investigations. Africa Initiative members have therefore committed to intensively use their EOI networks by training tax auditors and raising awareness among them on the use of EOI.

In 2021, this has translated into an increase by 26% of the requests sent by African countries, rising to 592 compared to 469 requests in 2020 (see Figure 8). In addition, the number of countries making requests rose to 15 in 2021 up from 13 in 2020. However, this is still below the 19 jurisdictions that sent requests in 2019 before the onset of the COVID-19 pandemic, which may have negatively impacted EOI operations in some countries.

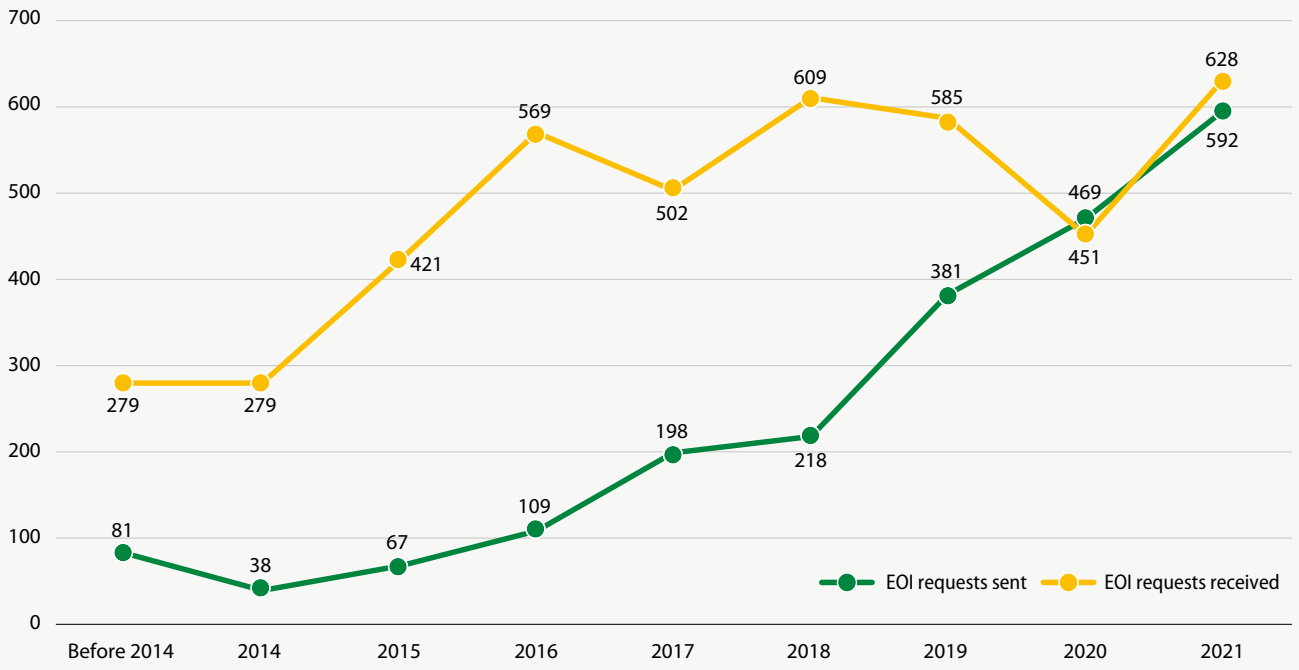
The number of requests received by African countries from their partners rose to reach 628 in 2021, up from 451 in 2020. The number of African countries receiving requests in 2021 compared to 2020 remains unchanged (18).

In 2021, African countries received more requests (628) than they sent (592), unlike in 2020 where they were net senders (see Figure 8). However, the gap between the number of requests sent and the number of requests received is narrowing compared to previous years. From 2014 to 2019 the average gap was 329 requests. This has narrowed down to a gap of 36 requests in 2021. Six African countries (Algeria, Burkina Faso, Kenya, Lesotho, Nigeria and Tunisia) were net senders in 2021. Four of these (Kenya, Lesotho, Nigeria and Tunisia) were already net senders in 2020.

Although African countries continue to make good progress, the disparities noted in 2020 continued in 2021, for both outgoing and incoming requests.

- Four countries accounted for 92% of the requests sent by African countries in 2021, which is comparable to 2020. Of these, two countries (Kenya and Tunisia)

FIGURE 8. **Requests for information sent and received by African countries since 2014**



Note: This graph reflects the situation for 38 countries which have provided data. It takes into account data from Algeria, which is participating in the survey for the first time. However, the 2021 data excludes feedback from Guinea and Zambia who participated in last year's survey but did not provide feedback for this year's survey.

Source: Responses provided to questionnaire by African countries

accounted for 45% and 30% respectively of all requests sent by African countries, while the other two (Algeria and Nigeria) accounted for 11% and 7% respectively.

- Seven African countries (Algeria, Kenya, Mauritius, Morocco, Seychelles, South Africa and Tunisia) accounted for 90% of all the requests received by African countries.

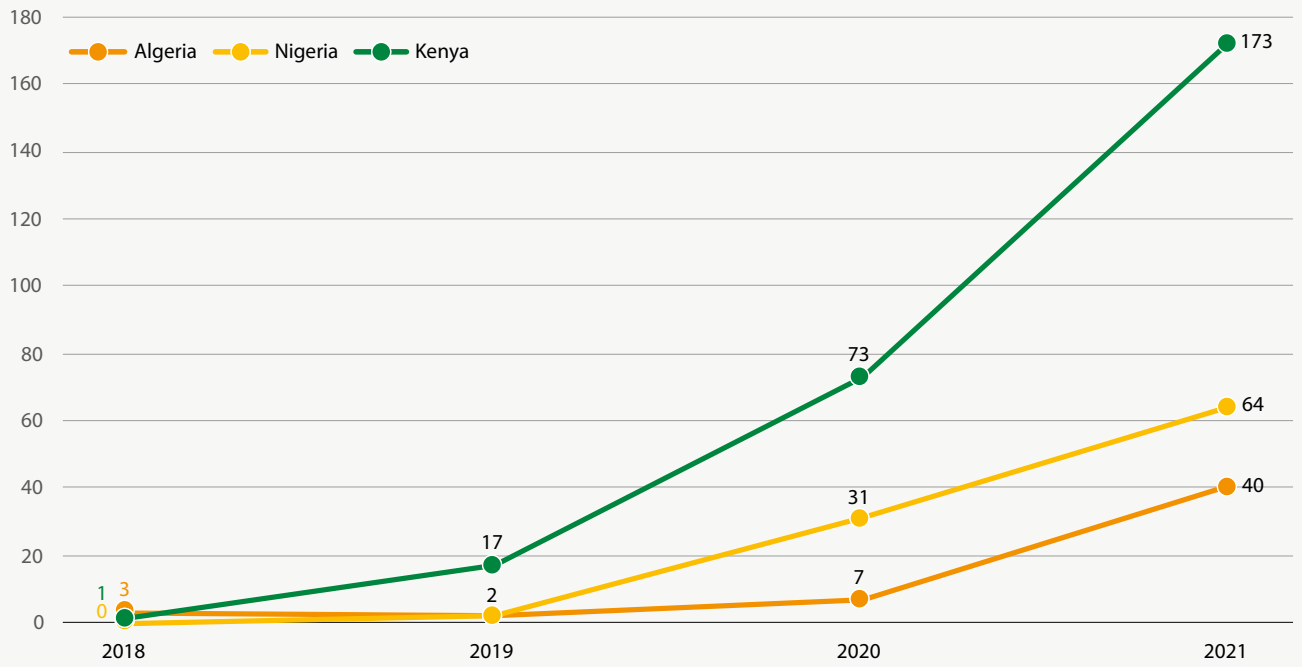
Figure 9 shows the driving effect of the use of the EOI infrastructure to request information: the few requests sent at the beginning may lead to an incremental increase of the number of requests as awareness rises amongst tax auditors and investigators, the skills of the CA office increases, and the impact on the audits and investigations materialises.

As Figure 10 demonstrates, only four African countries sent more than 20 requests in 2021, as was the case in 2020. They represent countries which started with a few requests but have built up awareness amongst tax auditors and investigators, and the capacity to send more requests over time to support tax compliance functions. While African countries are not all sending requests, the average number of requests sent by the most active countries constantly increased since 2014 to reach 42 requests per country.

VOLUNTARY DISCLOSURE PROGRAMMES PRIOR TO FIRST AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

Twelve of the respondent African countries require taxpayers to declare in their tax return information on the existence of foreign accounts. This information could be useful for building a taxpayers profile and establishing whether all income taxable in the jurisdiction has been declared. In addition, this information could assist in the identification of assets held by a taxpayer in other jurisdictions and cross-border assistance in recovery of tax claims. It could also enable the jurisdiction to assess the level of risk posed by the number of residents holding accounts in foreign jurisdictions which can then help it make an informed decision to commit to AEOI.

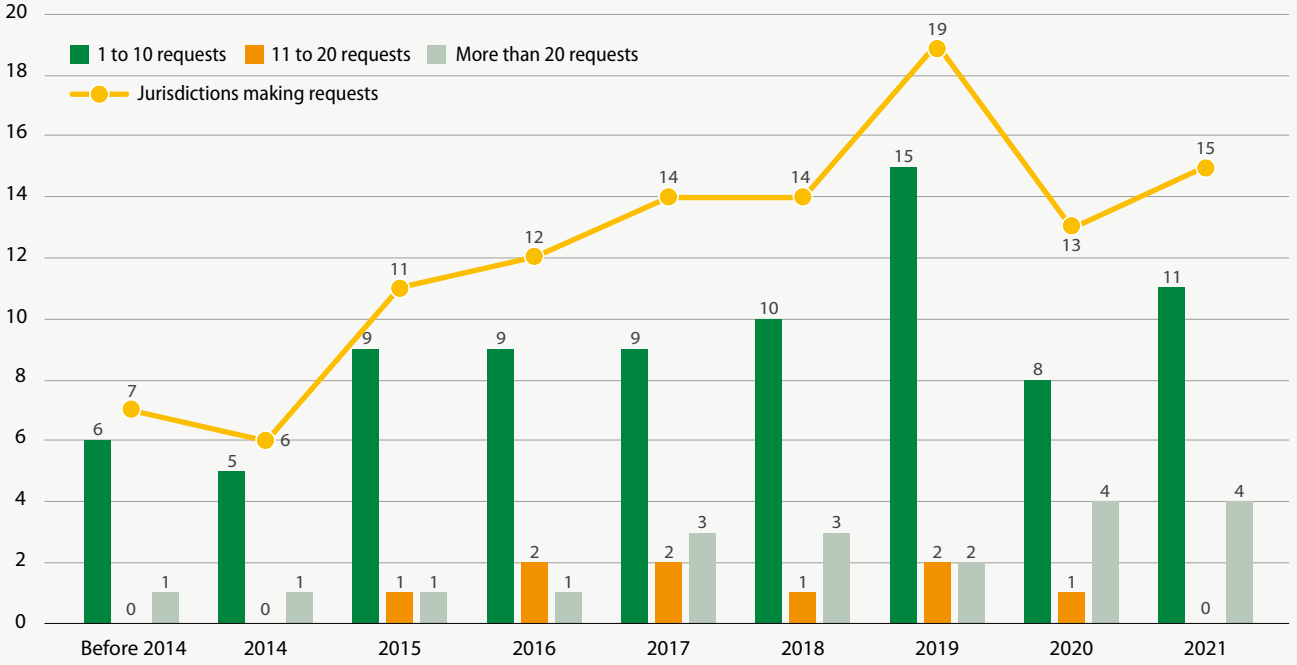
FIGURE 9. **Recent trends in number of requests sent for selected African countries**



Note: This graph reflects the situation of three selected countries (Algeria, Kenya and Nigeria) regarding the number of requests they have sent since 2018.

Source: Responses provided to questionnaire by African countries

FIGURE 10. **Number of African countries sending requests for information**



Note: This graph reflects the situation for 38 countries which have provide data. It takes into account data from Algeria, which is participating in the survey for the first time. However, the 2021 data excludes feedback from Guinea and Zambia who participated in last year's survey but did not provide feedback for this year's survey.

Source: Responses provided to questionnaire by African countries

One of the key benefits of the AEOI standard is its deterrent nature: the residents of a country know that the information on their financial assets and income in other jurisdictions will be collected and shared with the tax administration of their jurisdictions of residence. This will bring greater transparency of their global affairs and encourage them to be open about their transactions. Many jurisdictions have taken advantage of the implementation of the AEOI standard to launch VDPs prior to the first automatic exchanges with the aim of encouraging their residents to come forward and declare financial assets and income in other jurisdictions. This led to the identification of at least EUR 65 billion (USD 67.8 billion) in additional revenue (tax, interest and penalties) worldwide in the 2014-2020 period (of which EUR 25 billion (USD 26.1 billion) were identified by developing countries).

In addition, the persons who come forward to declare income previously untaxed to tax authorities through VDPs can lead to an expansion of the tax base if they were previously not known to the tax administration. These new taxpayers will remain on the tax base, meaning that the tax administration has means to ensure they comply with their tax obligations going forward. If they were already in the tax base, some may declare foreign assets and income that were previously unknown to the tax administration. Both set of taxpayers may lead to additional revenues for the future.

African countries have previously launched VDPs linked to AEOI. Nigeria and South Africa are some of the countries that launched VDPs prior to their first AEOI exchanges, enabling their tax administrations to collect additional revenue on previously undisclosed assets held offshore by tax residents.[1] There is currently no on-going VDP linked to AEOI in countries committed to and looking forward to their first automatic exchanges. This represents a missed opportunity given the potential benefits of VDPs prior to the commencement of automatic exchanges.

1. Prior to its first AEOI exchanges in September 2017, South Africa launched a Special Voluntary Disclosure Programme which ran from 1 October 2016 to 31 August 2017. EUR 1.7 billion (USD 1.8 billion) worth of foreign assets were disclosed and the revenues gained amounted to EUR 280 million (USD 296 million). These are assets that were previously hidden off-shore by non-compliant taxpayers that will continue to contribute to tax revenue generation in the future. As on 30 April 2019, the Nigeria's "Voluntary Assets and Income Declaration Scheme", which ran from 1 July 2017 to 30 June 2019, helped the tax administration collect nearly EUR 153 million (USD 162 million) of additional revenue.

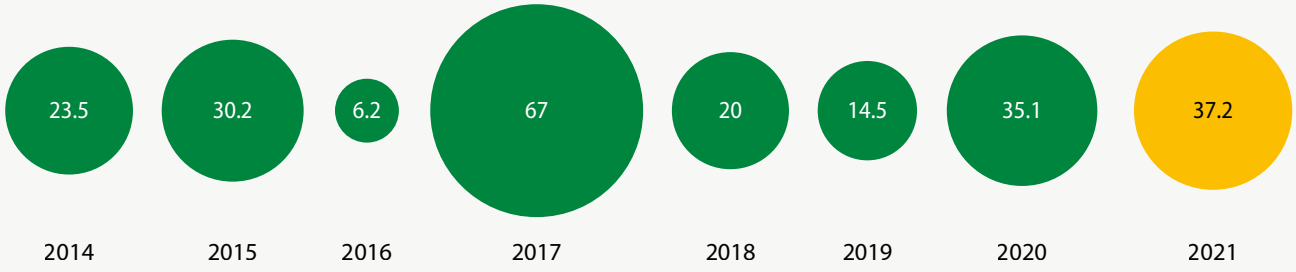
REVENUES GENERATED AS A RESULT OF EXCHANGE OF INFORMATION

Monitoring the contribution of EOI to enhancing DRM is important as it enables the tax administration to measure its impact and refine its strategies for using EOI. It may also influence the allocation of additional resources to EOI. In spite of this clear benefit, only 13 out of the 38 countries that responded to the survey monitor the taxes recovered as a result of EOI.[2] All of them require occasional feedback from auditors and investigators and on a case-by-case basis. The remaining African countries do not monitor the impact of EOI and may therefore be unaware of its contribution to enhancing domestic revenues.

In 2021, three countries identified EUR 37.2 million (USD 38.9 million) as a result of requests sent: Tunisia identified over EUR 28.1 million (USD 29.4 million), Kenya over EUR 8.1 million (USD 8.4 million) and Uganda close to EUR 1 million (USD 1.1 million). Figure 11 traces the amounts of additional revenues recovered by African countries as a result of requests for information sent. Overall, since 2014, nine African countries have identified or recovered EUR 233 million (USD 244 million) in additional revenue (tax, interest and penalties) as a direct result of EOIR. In total, since 2009, EOI has enabled African countries to identify over EUR 1.2 billion (USD 1.3 billion) of additional revenues (tax, interests and penalties) through offshore tax investigations including EOIR, and VDPs launched prior to the beginning of the implementation of the AEOI standard.

2. Burkina Faso, Cameroon, Congo, Egypt, Ghana, Kenya, Namibia, Senegal, Seychelles, South Africa, Togo, Tunisia and Uganda.

FIGURE 11. **Revenues identified as a result of exchange of information on request since 2014, in EUR (millions)**



Note: This figure reflects the situation for 38 countries which have provide data. It takes into account data from Algeria, which is participating in the survey for the first time. However, the 2021 data excludes feedback from Guinea and Zambia who participated in last year's survey but did not provide feedback for this year's survey.

Source: Responses provided to questionnaire by African countries

BOX 9. **KENYA: how exchange of information can supplement information available domestically**

During the course of an audit by the KRA, the International Tax Office established that an entity C registered in Kenya had intercompany transactions with a related entity D in Country Y. The audit team found out that entity C was thinly capitalised and had an intercompany loan with the related entity D. It also established that part of entity C's capital was used to offset this loan. The audit team suspected that the arrangement was designed to avoid paying taxes in Kenya by shifting profits out of Kenya through a fictitious loan or a loan with interest rates that was not at arm's length.

The audit team therefore approached the CA's office with a request to obtain information, which was not available in Kenya but was critical to concluding the audit case. As a result, the CA requested from jurisdiction Y the following information:

- list of shareholders and directors of entity D
- board resolutions of entity D for the additional investments in Kenya and board minutes [of entity D] touching on the related Kenyan entity
- financial statements of entity D
- share sale agreements between affiliated entities between entity C and D
- tax returns filed by entity D in Jurisdiction Y.

This information was aimed at establishing the financing decisions that led to the loan from entity D to entity C and how the interest rate charged by entity D was arrived at. This would enable the audit team to understand why entity C did not obtain a loan from other unrelated parties and also compare the interest rate that would have been charged by unrelated parties.

Jurisdiction Y provided all the information requested by Kenya.

This assisted the audit team to confirm that entity C was thinly capitalised. As a result, KRA determined that the interest payable on the loan was not deductible for tax purposes in Kenya. KRA issued an assessment of EUR 2.6 million (USD 2.7 million or KES 316 million). The information through EOI was critical for the conclusion of this case.

The key lesson Kenya learnt from this exchange is that it is important to provide as much background information as possible to the requested jurisdiction to provide the context within which the information is requested. It is also important to be specific on the information requested. This would save time taken to answer requests and obviate the need for clarifications which can delay response by the requested jurisdiction. Finally, this case showed how effective EOI is in helping auditors conclude transfer pricing cases.

Source: Kenya Revenue Authority

The case study presented in Box 9 shows the usefulness of EOI in enabling tax auditors to access information that is useful for understanding cases.

CROSS-BORDER RECOVERY OF TAX CLAIMS

Information obtained automatically, on request or spontaneously, may enable a tax administration to identify assets held by a tax debtor in other jurisdictions which could then be targeted to satisfy taxes they owe to the tax administration. Assistance in cross-border recovery of tax claims is therefore an important topic to the Africa Initiative, which led to the creation of the Africa Initiative Working Group.

As indicated in Chapter 2 of this report, the Working Group analysed trends on the use of this form of administrative assistance in African countries covering the 2018-2020 period. Based on the 2021 survey, 25 African countries have indicated that they have in place a legal framework that facilitates the cross-border recovery of tax claims. However, in 2021, only three of them requested assistance from other jurisdictions to recover tax claims (see example in Box 10): each of these countries sent one request for assistance in tax collection for a total of EUR 1.2 million (USD 1.3 million)), of which EUR 35 000 (USD 36 490) had been recovered and remitted to one of the countries. Two of these requests were sent to fellow African countries which highlights the relevance of this form of co-operation amongst African countries. At the same time, four African countries received 24 requests to

recovery tax claims on behalf of foreign jurisdictions which totalled EUR 1.1 million (USD 1.15 million).

Some African countries do not have the necessary international legal framework that enables them to request for this form of assistance from other countries (see Figure 6 and Table 4 on the EOI network of African countries). The Working Group therefore recommended that those African countries with narrow EOI networks should consider expanding them so as to establish a legal gateway for this form of administrative co-operation. In addition, it also recommended that those who have entered a reservation against providing this form of assistance consider lifting it.

BOX 10. **UGANDA: Cross-border recovery of taxes**

Following an audit on Company X which covered a period of five years (2011 to 2016), it was established that certain individual shareholders had disposed of their shares in Company X but had neither declared the transactions to the Uganda Revenue Authority (URA) nor paid the capital gains tax due. Consequently, one notice of assessment was issued to Individual Y through his last known address. The URA received information that individual Y had relocated to Country B, in Africa, and that he had received payment of EUR 1.3 million (USD 1.4 million) from the sale of shares via a trust set up in Country B.

URA made a request for information to ascertain Individual Y's residence and availability of assets in Country B prior to making a request for assistance in recovery in order to confirm existence and presence of the taxpayer.

In response to URA's request, Country B confirmed that individual Y was a resident of the Country and did not own any property in his name in Country B but he was a beneficial owner of the trust and some bank accounts.

URA then followed with a request for assistance in recovery of taxes which led to a recovery of part of the taxes due i.e. EUR 36 000 (USD 38 000 or UGX 134.6 Million)

Source: Uganda Revenue Authority

6 Looking ahead

Whilst solid progress continues to be achieved in the effective implementation of the standards of transparency and EOI in Africa, more remains to be done if African countries are to be fully able to benefit from tax transparency and fight against tax evasion and IFFs.

PURSUING THE EFFECTIVE USE OF EXCHANGE OF INFORMATION ON REQUEST

A majority of African countries are yet to undergo an EOIR peer review (second round). In 2022, the reviews of Egypt, Nigeria, Lesotho, Togo, Mauritania, Djibouti and Senegal will start, while Seychelles will undergo a supplementary review. In 2023, the reviews of Benin, Burkina Faso, Cabo Verde, Cameroon, Chad, Eswatini, Guinea, Madagascar, Mali, Namibia, Niger, Rwanda and Uganda will start, while Botswana will undergo a supplementary review. Algeria's peer review will start in 2024.

Enabling satisfactory ratings in the second round of EOIR peer reviews is one element of the core stage of the Africa Initiative mandate for 2021-2023. The Global Forum Secretariat and its partners will therefore continue to support the improvement of a sound and effective EOI framework and prepare African countries for their upcoming EOIR peer reviews. In addition to addressing any gaps identified by the peer reviews, technical assistance will also be aimed at assisting African countries that failed to obtain a satisfactory rating to address the gaps. Support will also be provided to African countries to contribute as assessors to the Global Forum peer review process, which also helps build their own capacity to implement and benefit from the EOIR standard. The ultimate goal is to ensure that African countries have a robust domestic framework to comply with the international standards and support their fight against tax evasion and other forms of IFFs.

The Global Forum Secretariat and partners of the Africa Initiative will also continue to support African countries in monitoring the impact of EOI on DRM and the fight against IFFs.

BROADENING THE IMPLEMENTATION OF AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

The Global Forum Secretariat, working with its partners, will continue to implement the new AEOI strategy for African countries. The key elements of this strategy are:

- providing extensive assistance to African countries which have already committed to a specific date for their first exchanges.
- continuing to build awareness of other African countries on the potential of AEOI for their DRM efforts with the objective of helping them transition to AEOI in a practicable timeframe.

With regard to the first element, Kenya (2022), Uganda (2023), Rwanda and Morocco (2024) and any other country making a commitment in 2022[1] will receive support from the Global Forum Secretariat and its partners to meet their commitments. This includes assistance on the confidentiality and ISM framework, domestic and international legal framework for AEOI and consultation with the financial industry. Assistance will also be provided on making effective use of CRS data for countries already exchanging information on a reciprocal basis. In this respect the programme with Nigeria on effective use of CRS data will continue in 2022.

With regard to the second element, Lesotho, Senegal and Togo and any other country showing an interest in AEOI will continue to receive support. This includes high-level dialogue with decision makers and awareness-raising engagements with technical officials. For example, the confidentiality and ISM maturity assessment will continue to be the first step towards understanding the interested country's current capacities and determining possible timeframe for AEOI implementation.

RELYING ON CAPACITY BUILDING TO REINFORCE THE TAX TRANSPARENCY BENEFITS

Strengthening tax transparency capacity in Africa is one of the baseline actions of the Africa Initiative and will be pursued intensively in collaboration with the regional partners. After a first workshop on establishing and running an effective EOI function held in English in 2021, a similar workshop will take place in French with the support of CREDAF in 2022. In addition, technical assistance will continue to support the setup of EOI units, drafting EOI manuals and procedures, and implementing a monitoring process.

After nearly 2 000 officials were trained throughout Africa in 2021, new training initiatives will be held for African countries in 2022, including regional and in-country trainings on EOI for tax auditors and other officials relevant for EOI.

1. Tunisia committed to begin first exchanges in 2024 on 5 January 2022.

Building on the encouraging results of the pilot programme completed in 2021, a second Train the Trainer programme will be held in English and French for African countries.[2] This programme seeks to create and support a network of highly skilled trainers who will effectively adapt and multiply the acquired knowledge and skills domestically, in effect creating a sustainable capacity within African tax administrations.

ENSURING GENDER BALANCE IN TAX TRANSPARENCY

In the pursuit of broader efforts to improve gender balance across tax administrations, a new Global Forum initiative, the Women Leaders in Tax Transparency,[3] is open to African female officials. Through the development of technical skills and the promotion of female leadership, this initiative aims at promoting a higher female representation at international events in the area and diverse views across decision-making spheres. African countries participation in this programme will contribute towards empowering women to champion tax transparency agenda in Africa.

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

Following the fact-finding exercise carried out in 2021 and which resulted in a note on trends on cross-border assistance in recovery of tax claims in Africa and the conditions necessary for successful recovery, the Africa Initiative Working Group was asked to put in place the building blocks to increase the use of this form of international assistance by African countries.

Different activities will be held, including a regional workshop on a tax collection maturity model followed by country self-assessments, a regional and one country-specific training on cross-border assistance in the recovery of tax claims, the preparation of a guidance document and practical tools for cross-border assistance in the recovery of tax claims (templates, forms, etc.).

2. See https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/train-the-trainer.htm.

3. See https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/women-leaders-in-tax-transparency.htm.

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Summary of the tax transparency progress by country in 2021

Summary of the tax transparency progress by country in 2021

COUNTRY	Member-ship	Technical assistance programme	Implementation of EOIR standard (peer review)[1]		EOI infrastructure		
			1st round	2nd round	CA delegation	EOI Unit	EOI resources and tools[2]
Algeria	2021	Induction programme	–	–	No	No	No
Angola	Non-member	Pre-membership assistance	–	–	Yes	Yes	Yes
Benin	2017	Induction programme	–	Preparation in progress Review in Q1 2023	Yes	In progress	In progress
Botswana	2011	A la carte	LC (2016)	PC in 2019 supplementary review in Q1 2023	Yes	No	Yes
Burkina Faso	2012	A la carte	LC (2016)	Preparation in progress Review in Q2 2022	Yes	Yes	Yes
Cabo Verde	2018	Induction programme	–	Preparation in progress Review in Q3 2023	Yes	No	No
Cameroon	2012	A la carte	LC (2016)	Preparation in progress Review in Q1 2023	Yes	Yes	Yes
Chad	2016	Induction programme	–	Review in Q2 2023	Yes	No	No
Congo	Non-member	Pre-membership assistance	–	–	Yes	No	No
Côte d'Ivoire	2016	Induction programme	–	Legal framework in need of improvement in 2020 (Phase 1)	Yes	Yes	Yes
Djibouti	2017	Induction programme	–	Review in Q4 2022	–	–	–
Egypt	2016	Induction programme	–	Preparation in progress Review in Q1 2022	Yes	Yes	–
Eswatini	2018	Induction programme	–	Preparation in progress Review in Q3 2023	Yes	In progress	Yes
Gabon	2012	A la carte	LC in 2016	Legal framework in need of improvement in 2021 (Phase 1)	Yes	Yes	Yes
Gambia	Non-member	–	–	–	Yes	No	No
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	–	Q4 2023	No	No	No
Kenya	2010	A la carte	LC in 2016	Legal framework in need of improvement in 2020 (Phase 1)	Yes	Yes	Yes
Lesotho	2013	A la carte	LC in 2016	Preparation in progress Review in Q2 2022	Yes	Yes	Yes
Liberia	2009	A la carte	Legal framework appropriate in 2016	PC in 2020	Yes	Yes	Yes

1. C = Compliant; LC = Largely Compliant; PC = Partially Compliant; and NC = Non-Compliant.

2. EOI resources and tools include an EOI manual and a tracking and monitoring tool.

Summary of the tax transparency progress by country in 2021

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 over the last 3 years	AEOI standard	
				Confidentiality and data safeguards framework	AEOI commitment
Narrow MAAC process not initiated	In progress	Medium	–	No action	No
Very narrow MAAC Initiated in 2019	No	None	No	No action	No
Very narrow MAAC signed in 2019 but not yet deposited	In progress	None	No	No action	No
Narrow MAAC signed in 2019 but not yet deposited	In progress	Low	No	No action	No
Narrow MAAC ratified in 2019 but not yet deposited	In progress	Low	No	No action	No
Very wide MAAC signed in 2019 and deposited in 2020	In progress	None	No	No action	No
Very wide MAAC in force since 2015	Yes	Medium	No	Technical assistance	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 MAAC process not initiated	In progress	Low	No	No action	No
Very narrow MAAC process not initiated	–	–	–	No action	No
Wide MAAC process initiated	–	Low	–	In the process towards exchanging reciprocally	Pilot project with UK
Very narrow MAAC signed in 2020 but not deposited yet	No	Low	No	No action	No
Very narrow MAAC Ratified in 2016 but not yet deposited	No	None	No	No action	No
Very narrow MAAC process not initiated	No	None	No	No action	No
Very wide MAAC in force since 2013	In progress	Low	No	In the process towards exchanging reciprocally	First exchange in 2019
Very narrow MAAC process not initiated	No	None	No	No action	No
Very wide MAAC in force since 2020	Yes	Very High	Yes	In the process towards exchanging reciprocally	First exchange intended in 2022
Very narrow MAAC initiated in 2017	No	Low	No	In the process towards exchanging reciprocally	No
Narrow MAAC signed in 2018	No	Low	No	Technical assistance	No

Summary of the tax transparency progress by country in 2021

COUNTRY	Member-ship	Technical assistance programme	Implementation of EOIR standard (peer review)[1]		EOI infrastructure		
			1st round	2nd round	CA delegation	EOI Unit	EOI resources and tools[2]
Madagascar	2018	Induction programme	–	Preparation in progress Review in Q2 2023	No	No	No
Malawi	Non-member	–	–	–	No	No	No
Mali	2020	Induction programme	–	Preparation in progress Review in Q4 2023	No	No	No
Mauritania	2012	A la carte	LC in 2016	Preparation in progress Review in Q3 2022	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	Review in Q3 2021	Yes	Yes	Yes
Namibia	2019	Induction programme	–	Preparation to be launched Q4 2023	No	In progress	No
Niger	2015	Induction programme	–	Review in Q2 2023	No	No	No
Nigeria	2011	A la carte	LC in 2016	Review in Q1 2022	Yes	Yes	Yes
Rwanda	2017	Induction programme	–	Preparation in progress Review in Q2 2023	Yes	In Progress	No
Senegal	2012	A la carte	LC in 2016	Preparation in progress Review in Q4 2022	Yes	Yes	Yes
Seychelles	2009	A la carte	LC in 2016	PC in 2020 supplementary review in Q3 2022	Yes	Yes	Yes
Sierra Leone	Non-member	–	–	–	Yes	No	No
South Africa	2009	A la carte	C in 2013	Legal framework in need of improvement in 2021 (Phase 1)	Yes	Yes	Yes
Tanzania	2015	Induction programme	–	Legal framework in need of improvement in 2020 (Phase 1)	No	Yes	Yes
Togo	2016	Induction programme	–	Preparation in progress Review in Q2 2022	Yes	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	Pre-membership assistance	–	–	Yes	No	No
Zimbabwe	Non-member	–	–	–	Yes	No	No

Summary of the tax transparency progress by country in 2021

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 over the last 3 years	AEOI standard	
				Confidentiality and data safeguards framework	AEOI commitment
Very narrow Invited to sign the MAAC since 2019	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 narrow MAAC signed in 2019	No	None	No	No action	No
Very wide MAAC in force since 2015	No	Medium	No	Exchanging reciprocally	First exchange in 2018
Very wide MAAC in force since 2019	In progress	Medium	–	In the process towards exchanging reciprocally	First exchange intended in 2022 Pilot project with France
Wide MAAC in force since April 2021	No	None	–	No action	No
Very narrow MAAC process not initiated	No	None	–	No action	No
Very wide MAAC in force since 2015	In progress	High	No	Exchanging reciprocally	First exchange in 2020
Narrow MAAC signed in 2021	No	None	No	In the process towards exchanging reciprocally	First exchange intended in 2024
Very wide MAAC ratified	No	Medium	No	In the process towards exchanging reciprocally	Under consideration
Very wide MAAC in force since 2015	No	Medium	No	Exchanging reciprocally	First exchange in 2017
Very narrow MAAC process not initiated	No	None	No	No action	No
Very wide MAAC in force since 2014	Yes	Medium	No	Exchanging reciprocally	First exchange in 2017
Very narrow MAAC process not initiated	In progress	Low	No	No action	No
Narrow MAAC signed in 2020	In progress	Low	No	No action	No
Very wide MAAC in force since 2014	Yes	Very high	No	In the process towards exchanging reciprocally	Under consideration Pilot project with Switzerland
Very wide MAAC in force since 2016	Yes	High	Yes	In the process towards exchanging reciprocally	First exchange intended in 2023
Very narrow MAAC process not initiated	No	None	No	No action	No
No	Low	No	No action	No action	No

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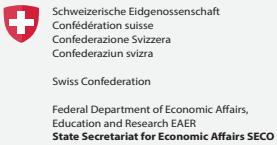

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