



VAT Digital Toolkit for Africa



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Foreword

This VAT Digital Toolkit for Africa provides detailed guidance to assist African tax authorities in the design and implementation of robust policies for the application of Value Added Taxes (VAT) to digital trade. This Toolkit covers the core components of a comprehensive VAT strategy directed at the main types of digital trade and e-commerce, particularly online sales of services, intangibles, and goods to private consumers by foreign businesses and digital platforms that often have no physical presence in their consumers' respective jurisdictions. It provides policy advice to support tax authorities' decision-making as well as detailed practical guidance and manuals for the legislative design, the administrative implementation, and the enforcement of VAT digital policies in light of jurisdictions' specific needs and circumstances.

This Toolkit builds on the internationally agreed standards and guidance delivered by the Organisation for Economic Co-operation and Development (OECD), resulting from intense inclusive global policy dialogue with OECD member countries and non-member economies worldwide, and with international organisations and other relevant stakeholders, including the global business community and academia. It incorporates the experience and best practices from tax authorities in jurisdictions that have already successfully implemented these standards. This Toolkit was developed through an inclusive and collaborative process with the active involvement of African tax authorities and regional organisations, to ensure that it takes due account of the specific circumstances, needs and capacities of tax authorities in Africa and to ensure that the identified solutions are properly tailored and capable of being implemented.

The development of this VAT Digital Toolkit for Africa was led by the OECD in close partnership with the World Bank Group (WBG) and the African Tax Administration Forum (ATAF). This co-operation is part of a comprehensive strategic partnership between the OECD and WBG in the area of VAT, which also includes the development of VAT Digital Toolkits for Latin America and the Caribbean and for Asia-Pacific. The OECD and WBG have a long history of working together in delivering capacity building programmes in the area of taxation and decided to expand this partnership to VAT design and administration, in particular to assist developing economies in addressing the VAT challenges of the digital economy. The partnership with ATAF has been crucial in ensuring the active involvement of tax administrations in Africa in the development of this work and in ensuring that proper account is taken of the specific needs and circumstances of jurisdictions on the continent.

The purpose of this Toolkit is to provide practical guidance for addressing the VAT challenges of digital trade that can be implemented efficiently and effectively at national level by tax authorities within Africa. It is not prescriptive, but rather provides advice and guidance on the possible approaches, based on the internationally agreed standards and best practices. The Toolkit will be updated as appropriate to reflect the continuously changing digital trade landscape and the evolution of available VAT policy and administration tools and strategies. The opinions expressed and arguments employed in this Toolkit do not necessarily reflect the official views of the OECD, WBG, ATAF and their respective membership. This Toolkit utilises the denominations for jurisdictions and economies as used by the OECD. These denominations do not necessarily reflect the official views of the WBG and the ATAF, or of the Project Partners' membership.

This Toolkit is aimed at assisting tax authorities and at supporting capacity building on VAT design and administration, supplementing other initiatives in this field. It is not an end in itself. The OECD, WBG, and ATAF secretariats are available to complement the guidance presented in this Toolkit with tailored technical assistance to interested jurisdictions.