

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

# Tax Transparency in Africa 2023

Africa Initiative Progress Report



African Union 

 AFRICAN TAX  
ADMINISTRATION FORUM  
FORUM SUR  
L'ADMINISTRATION  
FISCALE AFRICAINE

 **OECD**  
BETTER POLICIES FOR BETTER LIVES



## The Africa Initiative, its members and partners

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

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

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

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

Initially set up for a period of three years (2015-2017), the Africa Initiative was renewed for a second phase (2018-2020) in November 2017 and for a third phase (2021-2023) in October 2020. The Initiative also agreed on a new governance framework involving the election of a Chair and Vice-Chair to steer its work and a clear set of goals were agreed upon. Building on the lessons learnt from the first year of implementation, the new governance framework was modified in December 2022, with two Co-Chairs for a two-year period.

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



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



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

### WORK PROGRAMME OF THE AFRICA INITIATIVE

At the onset, the Africa Initiative agreed on an ambitious work programme to develop and consolidate a culture of transparency and EOI in African countries, and to progress towards the implementation of automatic exchange of financial account information (AEOI) under

the Common Reporting Standard (CRS). The Initiative's current work programme is based on a three-year mandate, which covers the period 2021-2023. The Africa Initiative builds on the progress achieved by members since 2014 and continues to raise political awareness and support new members to implement the "core stage" of tax transparency and EOI, with an emphasis on beneficial ownership information transparency. The Africa Initiative has also identified "enhanced building blocks" that can be implemented by interested members.

## Overview

The “**core stage**” encompasses:

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

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

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

### Members of the Africa Initiative



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