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15 years of impact: ATAF's fight against illicit financial flows



ATAF Photo archive: Nairobi, October 2021: the ATAF Executive Secretary Mr Logan Wort (Second Left) presented a six-pillar approach to combatting Illicit Financial Flows from Africa during the 7th Annual Tax Summit organised by the Kenya Revenue Authority.

In November 2024, ATAF will be poised to commemorate its 15th years of existence, marking a significant milestone in championing collaboration and excellence for establishing efficient tax systems across Africa. ATAF's wealth of experience provides tangible lessons for the effective operation of African institutions.

For the past 15 years, ATAF has been a stalwart champion in fortifying tax administration systems across the continent, with a sharp focus on combatting IFF's and tax avoidance mechanisms. Guided by ATAF's vision, significant strides have been made in fortifying tax systems and advancing transparency in our member countries.

Studies have showed that a significant part of tax-related IFF's is perpetuated through commercial transactions especially amongst multinational enterprises (MNE's). If Africa is to develop, efforts have to be made to address the artificial base erosion and profit shifting by some MNE's operating on the continent.

Based on our technical assistance, we observe that base erosion and profit shifting on the continent is driven by or through under valuation of exported commodities sold to related parties especially in the extractives and agricultural sectors; excessive intra-group debt and the associated costs of borrowing such as interest payments; excessive intra-group service fees; significant and excessive royalty payments to related parties; tax treaty shopping schemes; and artificial avoidance of permanent establishment status by some MNE's.

To address the above issues, ATAF has embarked on fine-tuned delivery of technical assistance to member countries using various interventions that include capacity building programmes on transfer pricing and international tax, tax policy and legislative support and direct audit assistance in transfer pricing and international tax including in the specialised sectors such as extractives. Some of this work has been undertaken in partnership with some key strategic partners such as the OECD, World Bank Group and IGF.

Our tax policy work on these issues has been advanced through, amongst other avenues, the development

"ATAF remains resolute in our mission to combat illicit financial flows in Africa. We firmly believe that by fortifying tax administration systems and championing transparency, we can safeguard the economic prosperity of our continent. Our tireless efforts over the past 15 years serve as a testament to our dedication to this cause, and we remain steadfast in our pursuit of our objectives." Mr. Logan Wort, Executive Secretary.

of the ATAF Suggested Approaches to drafting domestic legislation. These Suggested Approaches include: Suggested Approach to Drafting Transfer Pricing Legislation; Suggested Approach to Drafting Interest Deductibility Legislation; Suggested Approach to Drafting Permanent Establishment Legislation; ATAF Model Tax Agreement; Suggested Approach to Drafting Digital Services Tax Legislation; and The ATAF Suggested Approaches to Drafting Domestic Minimum Top-up Tax Legislation.

These Suggested Approaches have been instrumental in steering the design and implementation of new or revised legislations by many African countries. So far, 22 transfer pricing and international tax legislations have been modelled around these suggested approaches.

Our technical assistance programmes including direct audit assistance which has assisted our member to assess additional taxes amounting USD 4.75 billion and to collect tax amounting to USD 1.792 billion. These crucial funds serve as linchpins in bolstering vital public services and catalysing infrastructure development throughout the continent.

Considering the critical role that exchange of information (EOI) and transparency plays in addressing cross-border tax evasion and IFF's, in December 2020, ATAF published its EOI Toolkit which provides guidance on setting up and managing an effective EOI function in order to improve co-operation among tax jurisdictions and to better tackle tax evasion and other related illicit financial flows.

The Toolkit also provides practical solutions to frequently asked questions by many tax administrations with regard to EOI programmes, providing African countries with confidence in managing EOI function and thereby reducing the reliance on constant technical support.

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Mr Logan Wort

ATAF Executive Secretary

Message from the ATAF Executive Secretary, Mr Logan Wort

I am thrilled to share a momentous occasion as we celebrate 15 years of existence as the African Tax Administration Forum (ATAF) this year. This milestone marks a journey of dedication, collaboration, and achievement in advancing tax administration across the continent.

Over the past 15 years, ATAF has made significant strides in promoting tax transparency, capacity building, and cooperation among African tax administrations. Our commitment to combat Illicit Financial Flows (IFF's) has been unwavering as we work tirelessly to strengthen tax systems and prevent revenue loss.

ATAF's accomplishments are a testament to the collective efforts of our member countries, partners, and stakeholders. From enhancing tax policy frameworks to implementing innovative technology solutions, we have made tangible progress in driving economic growth and sustainability across Africa.

Looking ahead, we remain steadfast in our mission to empower tax administrations, promote tax compliance, and foster inclusive economic development. Our focus for the coming years includes intensifying efforts to address tax evasion and leveraging digital technologies for enhanced revenue mobilization.

As part of our commitment to gender equality and empowerment, ATAF continues to prioritize initiatives to support women in the tax profession. We recognize women's invaluable contributions to advancing tax administration and remain dedicated to creating opportunities for their professional growth and development.

I am delighted to invite all of our members to join us for the ATAF Annual Meetings in Kigali from 2-5 December. This gathering presents a unique opportunity to engage in fruitful discussions, share best practices, and chart the course for the future of tax administration in Africa, and will also be an occasion for us to celebrate 15 years of working together.

Together, let us reaffirm our commitment to building robust tax systems, combating illicit financial flows, and driving sustainable development across the continent.

Logan Wort
Executive Secretary

ATAF Head of Strategy appointed as CG of Seychelles Revenue Commission

Ms Varsha Singh

Newly appointed Commissioner General,
Seychelles Revenue Commission



Ms. Varsha Singh, a seasoned leader in the tax and customs administration field, is set to embark on a new journey as the Commissioner General of the Seychelles Revenue Commission.

Her appointment, effective 1st of April 2024, marks a significant milestone in her career, underscoring her remarkable expertise and contributions to the field. Throughout her tenure at ATAF, Ms. Singh has been instrumental in shaping strategic initiatives that have propelled the organisation's mission forward.

Under her leadership, ATAF has witnessed substantial growth and progress, thanks to Ms. Singh's strategic outlook, financial acumen, and commitment to fostering collaboration with development partners. Her efforts have strengthened ATAF's capacity to support member countries and facilitated international cooperation in tackling the intricate challenges faced by tax administrations across the continent.

Logan Wort, ATAF's Executive Secretary, expressed the organization's gratitude for Ms. Singh's leadership and acknowledged her profound impact. "We will miss Ms. Singh's leadership, expertise, and the significant contributions she made to our organization. However, we are equally excited for her as she embarks on this new chapter in her career."

With over 28 years of experience in tax, customs, transfer pricing, and international relations, Ms. Singh brings knowledge and insight to her new role. Armed with a master's degree in international Customs Law and Administration and an MBA, she is well-equipped to lead the Seychelles Revenue Commission towards greater efficiency and effectiveness.

ATAF congratulates Ms. Singh on her new appointment and wishes her every success in her endeavors, looking forward to potential collaborations with the Seychelles Revenue Commission under her leadership, further strengthening the bonds between ATAF and the Seychelles.



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ATAF's initiatives in AEOI infrastructure development, and IFF mitigation

ATAF has been at the forefront of efforts to support the development of the Automatic Exchange of Information (AEOI) infrastructure which has been a hindrance to the implementation of the Common Reporting Standard (CRS) across Africa. To this end, ATAF will be supporting countries that would like to implement an AEOI structure in a variety of ways including capacity building, legislation, peer-learning and in the development of an IT Platform for AEOI programmes.

Further, through its Joint Technical Committee (JTC), ATAF is in the process of developing an IFF-mitigating framework which covers a range of tax policy and administrative issues that need to be addressed by countries including enhancing tax administration capacity through automation and digitalisation; enhanced data strategy and governance; better policies and administrative systems for taxing high-net-worth individuals; and consideration for a universal identification system for better feasibility of transactions.

Expressing ATAF's unwavering commitment to combating Illicit Financial Flows, the Executive Secretary, Mr Logan Wort emphasized, "ATAF remains resolute in our mission to combat illicit financial flows in Africa. We firmly believe that by fortifying tax administration systems and championing transparency, we can safeguard the economic prosperity of our continent. Our tireless efforts over the past 15 years serve as a testament to our dedication to this cause, and we remain steadfast in our pursuit of our objectives."

ATAF and AUC unite in Kigali to forge the future of international taxation



Participants at the ATAF-AUC regional consultation posing for a group photo. Seated from L-R: Dr. Patrick Olomo, Acting Head of the African Union's Economic and Sustainable Development, Mr Bizimana Ruganintwali Pascal, RRA Commissioner General, and Ms Mary Baine, ATAF Deputy Executive Secretary.

The African Tax Administration Forum (ATAF) and the African Union Commission (AUC) partnership has gained momentum since they signed the Memorandum of Understanding on May 31st, 2023. ATAF made a significant move by appointing Mr. Emmanuel Eze as a senior advisor to the AUC, bringing expert guidance on technical matters related to international tax, tax reforms, and tax policy. This collaboration actively makes a difference by driving impactful initiatives and hosting influential regional consultations to shape the future of taxation across the African continent.

Consequently, from 25-26 March 2024, ATAF and AUC organized a crucial gathering to reshape international taxation across Africa and beyond. Policymakers, tax experts, and government officials from East, South, and North Africa convened in Kigali, Rwanda, with a shared determination to shape a future defined by fairer tax policies driving Africa's economic transformation. This event followed a similar consultation held for West and Central Africa in Abuja, Nigeria, in October 2023.

Ms. Mary Baine, Deputy Executive Secretary of ATAF, set the tone for the gathering by declaring, "Today, we are not merely participants; we are catalysts for change, architects of a future where fairness and equity in international tax systems prevail." This statement paved the way for two days of passionate discussions and strategic collaboration.

The consultation took place amid Africa's increasing prominence on the global stage, with Ms. Baine emphasizing the need to recalibrate taxing rights to ensure Africa's rightful position in the global economic landscape.

"Africa's exclusion from key decision-making platforms has perpetuated an imbalance in taxing rights, enabling Illicit Financial Flows and Base Erosion and Profit Shifting," she asserted. "Our collective mission is to rectify this historical injustice."

Dr. Patrick Olomo, Acting Head of the African Union's Economic and Sustainable Development, echoed Ms. Baine's sentiments, lauding the collaborative efforts propelling Africa's tax agenda forward. "Africa has corrected its historical side-lining and is now firmly engaged in reforming the global financial architecture," he declared. "This partnership between ATAF and the AUC is instrumental in advancing our collective aspirations for mobilising domestic resources and combating illicit financial flows."

Commissioner General Pascal Ruganintwali of the Rwanda Revenue Authority underscored the significance of the consultation in the context of Rwanda's economic journey. "Rwanda has been proactive in leveraging technology and enacting legislation to protect its tax base amidst the digital revolution," he shared. "Our collaboration with ATAF has been instrumental in enhancing our tax collection capacities and combating illicit financial flows."

Discussions at the event covered critical issues ranging from the implications of the OECD Two-Pillar Solution to the development of a Framework Convention on International Tax Cooperation at the United Nations. The consultation provided a platform for exploring ways to mitigate the impact of tax reforms, promote domestic resource mobilization, and safeguard Africa's taxing rights.



Ms Mary Baine, the ATAF Deputy Executive Secretary, during the ATAF-AUC regional consultation opening ceremony in Kigali.