

June 2017



Representatives from tax administrations participating in the African Tax Outlook gather at the ATAF Secretariat in Pretoria for a consultative workshop.

## Tax publication expands its coverage in Africa

The second edition of the African Tax Outlook (ATO), ATAF's flagship publication, will feature tax administration data from 21 member countries when it is published in August 2017. Countries taking part in this second edition are Benin, Botswana, Burundi, Cameroon, Gambia, Kenya, Lesotho, Liberia, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Swaziland, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

The inaugural publication was successfully launched in June 2016 with 15 participating African tax administrations.

The second edition of the ATO publication brings together valuable, practical and relevant descriptive and analytical information on tax issues from 2011 to 2016. The publication assesses and compares participating countries against indicators in four broad categories: tax bases, tax structure, revenue performance, and tax administration. These indicators are crucial to African tax authorities as they implement reforms and policies to broaden the tax base, narrow tax gaps, simplify and improve fairness in tax systems, enhance overall voluntary compliance, and keep policy makers informed on tax matters.

The purpose of the publication is to build a solid framework of meaningful indicators that will help to compare, assess and ultimately improve countries' tax administration and revenue performance.

The second edition of the ATO publication will be presented as follow:

- ATO Main Report: this is to serve as a source of

reliable information on taxation that can be used as an African and global reference to assist in formulating tax policies, and tax administrations' reforms on the continent, as well as to be an important barometer for business. The target audience for the main report are essentially tax officials, academia, tax practitioners, etc.

- ATO Highlight Report: this provides a summary of the main report and mainly targets heads of tax administrations and civil society.
- ATO Executive Summary: This will mainly target policy makers and the media.

### Third edition even bigger

Six more countries have been invited to join the 3rd ATO edition: Angola, Chad, Cote d'Ivoire, Ghana, Malawi and Niger. In the preparation to the third ATO edition, the ATAF Secretariat has planned to host three workshops in 2017 among other important activities:

- A consultative meeting which was in April in Pretoria, South Africa. The primary objectives of this meeting were to agree and define the new indicators; update newly joined countries on the process; update the existing excel data repository and guidebook, prepare for the data collection of agreed indicators and discuss the implementation of the online data repository.
- A capacity building workshop for data collectors will be held in July 2017 in Monrovia, Liberia. This workshop aims to ensure that data collectors have a common understanding of ATO data collection processes and are assisted in understanding the

definition of indicators and collection of the relevant data. Another important element is the opportunity for data collectors to learn from country experience through a peer learning exchange process.

- A validation workshop is to be held in Niamey, Niger in September 2017. This workshop targets the Heads of Research/Statistics/Planning of tax administrations who will meet to discuss, provide feedback and validate the preliminary storyline of the 2018 ATO publication. During the workshop, they will furthermore guarantee the authenticity of their respective country's statistics used in the publication and will sign off on the data received.

To ensure the continued success of the ATO publication and its long-term sustainability, the following proposals were made during the April consultative meeting:

- Introduce an online platform to facilitate the data collection process
- Implement data protection and information security of countries' data
- Establish confidentiality and terms and conditions for information sharing of all ATO products
- Organise workshops or sessions at various ATAF events to discuss how to implement the recommendations and lessons learned from the ATO publication process
- Involve tax administrations in the drafting of the content of the ATO publication on a rotation basis to ensure ownership and sustainability.

## Inside this issue



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# Council chair aims to grow ATAF membership

**A**TAF Council Chairman Mr Babatunde Fowler is passionate about growing the organisation, especially among northern African countries. Mr Fowler, the Chairman of the Federal Inland Revenue Services (FIRS) of Nigeria, was elected chair of the Council, after delegates to the Fourth General Assembly elected a new council to guide the organisation for the next two years.

Mr Fowler pledged to highlight the benefit of being a member of the continent's premier pan-African tax organisation to North African countries with a view to getting them to join and accede to ATAF.

Mr Fowler told delegates gathered in Durban, South Africa in October 2016, that it was his fervent hope that by the end of his tenure he would have managed to rope in North African countries and encouraged greater participation and representation from Francophone countries.

**The members elected to the Council are:**

## Mr Tunde Fowler

**Executive Chairman: Federal Inland Revenue Service (FIRS)**

### ATAF Chairman

The Chairman of Nigeria's Federal Inland Revenue Service Mr Tunde Fowler made his mark as a tax administrator during his stint as the Executive Chairman of the Lagos State Board of Internal Revenue. In his eight-year period at the helm of the organisation, Mr Fowler oversaw a massive improvement in revenue collections, with internally generated revenue growing from an average of N 3.6 billion per month in January 2006 to an average of over N20.5 billion per month in 2014. Mr Fowler's tenure also saw an improvement in the quality of service delivery to taxpayers, improvement in the use of IT and other modern methods of tax administration.

Before joining the public sector, Mr Fowler made his mark in the banking industry. He joined Commercial Bank (Credit Lyonnais Nigeria Limited) in January 1984, beginning a career that spanned two decades. He joined the Chartered Bank in 1990 and had risen to the position of general manager by the time he left in 2004 to join the Lagos State Board of Internal Revenue.



## Mr Sudhamo Lal

**Director General: Mauritius Revenue Authority (MRA)**

### ATAF Vice Chairman

Mr Sudhamo Lal has served as the Director-General of the Mauritius Revenue Authority since May 2005. He has several years of successful experience in providing fiscal, strategic and operational leadership in revenue agencies.

Mr Lal acted as the President of the Commonwealth Association of Tax Administrators (CATA) from 2009 to 2012 and as vice chairman for the World Customs Organization's Eastern and Southern Africa Region from 2011 to May 2013. He was elected to the ATAF Council in September 2014 and in November 2015 he was elected Chairman of CATA for the next three years. In October 2016, Mr Lal was elected to serve as vice-chairman of the ATAF for the next two years.



## Mr Tom Moyane

**Commissioner: South African Revenue Service (SARS)**

Mr Moyane has served as the Commissioner of the South African Service since September 2014. Mr Moyane, who is a qualified development economist, has extensive experience in government, having worked for a number of state departments both in South Africa and in Mozambique and Guinea Bissau during his period in exile.

Working for the Ministry of Agriculture in Mozambique, he was involved in the project to rehabilitate of the cashew nut industry which is a major source of revenue post liberation. He later served as an adviser to the Ministry of Agriculture and Rural Development in Guinea Bissau.

In South Africa, amongst other roles Mr Moyane served as Chief Director for Industry and Enterprise Development at the Department of Trade and Industry, CEO of Government Printing Works and National



Commissioner at the Department of Correctional Services.

## Mr Dumisani Masilela

**Commissioner General: Swaziland Revenue Authority (SRA)**

Mr Dumisani Masilela has served as the the Commissioner General of the Swaziland Revenue Authority since its inception in 2010. Before being appointed to head the newly created administration he had served as Principal Secretary in the Ministry of Finance.

Mr Masilela's robust management style has led to improvements in tax collection and helped his country overcome the financial crisis it was facing when he took over as the first head of the kingdom's tax administration. The SRA has also modernised customs with the roll out of a new electronic system in 2016.



## Ms Doris Akol

**Commissioner General: Uganda Revenue Authority (URA)**

Ms Doris Akol was appointed as the Commissioner General of Uganda Revenue Authority in October 2014. She replaced Ms Allen Kagina, who retired after two consecutive five-year terms at the helm of URA. Before being appointed to its top position, Ms Akol had served as the Commissioner for Legal Affairs and Board Matters at the Uganda Revenue Authority from 2012 to 2014. She had joined the URA as a legal officer in 1995 after working for a year at the Kampala offices of the global accountancy firm PricewaterhouseCoopers.

Ms Akol holds a Master of Laws degree from Makerere University in Uganda and from the McGill University in Canada. She also holds a postgraduate diploma in financial management from the Uganda Management Institute, Kampala.



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## Editorial

**D**omestic Revenue Mobilisation in Africa has been on the agenda of the continent and the world in the run up to the Addis Ababa SDG conference in 2015 and beyond. With it has been the important report on Illicit Financial Flows by the UNECA - AU High Level Panel led by former South African President Mr Thabo Mbeki.

Building Africa's capacity to strengthen its revenue and tax systems is at the heart of initiatives to promote sustainable socioeconomic development to the benefit of the continent's citizens. The ATAF work programme is exactly geared to support these crucial objectives.

In 2017 so far, ATAF has continued with its 15 country support programmes covering both domestic and international taxes as well as preparing member countries to deal with the information exchange requirements inside the new global tax transparency arrangements.

The ATAF models on Double Taxation Treaties, on Transfer Pricing and the ATAF Agreement on Mutual

Administrative Assistance in Tax Matters (AMATM), stands out as important African product towards building capable tax systems on the continent.

As we continue to build on our existing efforts, our focus must be to build strong domestic tax policy, legislation and administration. We have just launched an expert working committee made up of experts from eight member countries. They will lead the work on strengthening VAT systems in Africa. Similarly, the work on transfer pricing and tax treaties is also led by an expert working group from eight member countries.

The work is exciting and the progress steady. In the face of both financial and technical expertise shortages, we continue to have good impact wherever we engage.

This edition of the ATAF News provides some insight into our various programmes and activities.

Two key events for 2017 that we are looking forward to are the High Level Conference on Tax Policy and Administration in Kampala, Uganda, in August 2017

and the ATAF annual International Conference on Tax in Africa (ICTA) which will be hosted in Abuja, Nigeria, September 2017. The Kampala meeting will bring together tax administrators, Ministries of Finance and legislators in Africa to consider a better alignment in defence of the African tax base.

The ICTA will focus on building strong domestic taxes and will consider personal income tax, VAT and corporate taxes. As Africans, we realise the importance to our members of strong domestic tax systems when they are engaging in the global tax landscape. We are also acutely aware of the rapid pace of global tax reform and the need to keep abreast of it or run the risk of being left far behind.

ATAF is committed to walk this path with our members and, together with our development partners, we shall endeavour to build a better continent.

### Mr Logan Wort

ATAF Executive Secretary

**Mrs Elfrieda Stewart Tamba**

**Commissioner General: Liberia Revenue Authority (LRA)**

Commissioner General Mrs Elfrieda Tamba led the initiative to draft the legislation whereby the Liberia Revenue Authority was legally established in 2013. She played a key role in preparing the LRA for professional peer review by directing the preparation of the key technical documents, implementation strategy, and donor management coordination. She coordinated plans to transition Department of Revenue staff, assets, and systems to the LRA. Ms Tamba spent over 25 years with the Liberian Bank for Development and Investment (LBDI) where she rose from a high school cadet to the position of Chief Financial Officer.



She joined the public sector in August 2006 as the Deputy Minister of Finance for Revenue where she relentlessly initiated and championed the modernisation of revenue administration, a topic which she is still passionate about today.

**Mr Audace Niyonzima**

**Commissioner General: Office Burundais des Recettes (OBR)**

Mr Niyonzima is the fourth Commissioner General of the Office Burundais des Recettes (Burundi’s Revenue Authority) (OBR). He was appointed in April 14 2017.



Before joining OBR, Mr Niyonzima held several positions at the Bank of the Republic of Burundi, including the position of Director of Research and Statistics from 2016 to the date of his appointment as head of the revenue authority. Before that, he worked as an economist in the Department of Research and Statistics from 2003 to 2008, then as Deputy Director of the Department of Monetary and Financial Markets from 2009 to 2010, and as head of the Research and Statistics department from 2010 to 2015.

The new Commissioner General of OBR’s professional experience also includes high-level positions in the East African Community and COMESA.

Mr Niyonzima holds a higher education degree specialising in applied macro-economics and public finance. He’s also an alumnus of the University of Yaoundé II, where he graduated with a Master’s degree in Economics

**Mr Emmanuel Kofi Nti**

**Commissioner General: Ghana Revenue Authority**

Mr Emmanuel Nti was appointed as the Acting Commissioner-General of the Ghana Revenue Authority in February 2017 after the resignation of long-serving CG, Mr George Blankson. Until his appointment in February 2017, he had served as a consultant economist and tax expert for the World Health Organisation’s Africa Region.



Mr Nti has a wealth of experience in the tax environment, having served as a consultant to the Ministry of Finance and Economic Planning. He was instrumental in setting up the Tax Policy Unit in 2006 which he headed until

2012. During his tenure he spearheaded the formation of Revenue Forecasting Team composed of staff from the Ministry of Finance, Ghana Revenue Authority and Ghana Statistical Service. Amongst his many achievements are the introduction of Communication Service Tax, creation of the customer services unit of the then Internal Revenue Services and reforming the petroleum and mining fiscal regimes.

**Mr Charles Kichere**

**Commissioner General: Tanzania Revenue Authority (TRA)**

Mr Charles Kichere was appointed as Commissioner General of the Tanzania Revenue Authority in March 2017. He replaced Mr Alphafo Kidata who was appointed Permanent Secretary in the President’s Office.



Prior to his appointment Mr Kichere had served as Deputy Commissioner General of the Tanzania Revenue Authority for a short period. He joined the TRA from the Tanzania National Road Agency where he had served as the head of finance and chief accountant.

**Executive Secretary reappointed**

The ATAF General Assembly also endorsed a recommendation by the council to extend Executive Secretary Mr Wort’s contract until March 2021. Mr Wort’s tenure as head of the ATAF Secretariat was scheduled to expire in March 2017.

Mr Wort is also a member of the ATAF council.

**FIRS chairman outlines Nigeria’s efforts to stem revenue losses**

Due to the dwindling income from oil which Nigeria is currently experiencing, the country is doing its best to stop the haemorrhaging of its national income by plugging loopholes that allow illicit financial flows especially through tax evasion and other tax abuses, Mr Tunde Fowler, executive chairman of the Federal Inland Revenue Service told a conference this month.

Mr Fowler who is also the chairman of the ATAF Council, was addressing the conference for combating illicit financial flows and enhancing asset recovery to foster sustainable development which was held in Abuja, Nigeria, from 5-7 June 2017.

“The theme of this IFFs conference is apt and indicative of our renewed collective desire to stop the bleeding of our economies through aggressive tax practices and other acts which have led to huge losses of revenues our countries require to fund development and to improve the well-being of our people,” Mr Fowler said.

IFFs are a major challenge to tax administration in Nigeria and the following have been identified as IFFs practices that are harmful to government efforts to enhance tax revenues:

- The laundering of funds (often sourced illegally) through real estate transactions
- The illegal transfer of money out of Nigeria – through means such as “Hawala” concept
- Mispricing of goods and service transferred between interrelated companies (e.g. MNEs) and individuals
- Profit Shifting through excessive interest payments on foreign and locally sourced loans
- The erosion of profits and capital flight through overstatement of salaries of expatriate staff

- Mis-invoicing of imports and exports

Mr Fowler said that Nigeria has embarked on several initiatives to address the many challenges the tax authority faces with regard to IFFs and base erosion and profit shifting practices.

He said the country has introduced a programme focused on collating for tax purposes information on ownership of landed property, in collaboration with States Land Registry and estate agencies. It has established a functional Transfer Pricing Unit focused on ensuring that taxable persons report sales and profits in Nigeria in adherence with globally acceptable standards of arm’s length principle for tax purposes.

A framework has been implemented for tax authorities to collaborate with other agencies of government to improve access to and exchange of taxpayer information, including information on ownership of assets, bank accounts details, and import and export transactions. Mr Fowler said FIRS has established close working relationship and information sharing platforms with the Nigeria Customs Service and Nigeria Immigration as well as with banking organisations.

He added that FIRS has developed an in-house capability for trend analysis on banking transactions of taxpayers enabling it to provide early warning on transactions that might be a potential for illicit outflows. Exchange of Information (EOI) units have been set up to ensure a nation-wide framework for effective exchange of information on taxpayers.

On the international front, it has established a wide network of tax treaties on a bilateral and multilateral basis. Nigeria has signed Avoidance of Double Taxation Agreements with 13 countries and has also signed up to the OECD/EU Mutual Assistance in Tax Matters Convention that has over 100 participating countries.

The country is also a signatory to the ATAF Agreement on Mutual Assistance in Tax. These agreements provided for international assistance to recover taxes transferred offshore by taxpayers, Mr Fowler explained.

A functional Exchange of information (EOI) unit had been established in FIRS to oversee an effective system of exchange of tax information with Nigeria tax treaty partners. He said that FIRS was committed to providing intensive and regular training for tax officers in collaboration with ATAF, OECD and other international tax agencies, to enhance its capacity to tackle the tax issues related to IFFs.

Nigeria joined the Global Forum on Transparency and Exchange of Tax Information in 2011 and has successfully gone through the Phases 1 and 2 Peer reviews. The peer review process enabled Nigeria to enhance its ability to access tax information offshore, in collaboration with other nations.

The country has also joined the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) in 2016 and committed to implement the minimum standards, as means to improving tax administrative efforts to combat the erosion of its tax base.

Nigeria has commenced the process to sign the Multilateral Competent Authority Agreement (MCAA) for the automatic exchange of financial account information with other countries.

“To ensure that Nigeria benefits from the current global international collaboration against IFFs and for experience sharing, the FIRS is actively participating as one of Africa’s representative in the ATAF and OECD led initiatives to frontally tackle the ever growing challenge to tax revenues from Base Erosion and Profit Shifting (BEPS),” Mr Fowler added.

## 3rd annual ATRN Congress to be held in Madagascar

The ATAF's African Tax Research Network (ATRN) will be holding its 3rd Annual ATRN Congress in Antananarivo, Madagascar, in September 2017.

The Tax Administration of Madagascar has confirmed that it will be partnering with l'Institut des Sciences Comptables et de l'Administration d'Entreprises (INSCAE) to host the 2017 Congress.

The theme for the 2017 Congress is "A Modern and Effective Taxation System to advance Domestic Resource Mobilization in Africa: The Role of Information Technology and Tax Information Exchange". Prospective authors, both academics and practitioners were invited to submit their original and innovative research papers via the ATRN website by 9 June 2017.

As in previous years, more than 130 participants from all over Africa and beyond are expected to participate in the Congress in 2017. The Congress will once again bring together academia, researchers, decision-makers, tax administrators, students, tax practitioners, civil society organisations, regional and international organisations, consultants and



**Antananarivo, Madagascar, will host the 3rd annual ATRN Congress in September this year.**

representatives of the business community from Africa and the world to discuss tax policy, administration and legislative issues and their impact on African tax systems and economies.

The papers submitted during the 2016 Congress were of a high standard, and it is anticipated that an even

higher standard of papers will be received in 2017, with more papers being accepted and presented at the Congress.

During negotiations and talks with various other member countries aim at identifying venues for subsequent ATRN Congresses, ATAF was able to secure as hosts the Tax Administrations of Morocco for the 2018 ATRN Congress, and Burkina Faso for the 2019 Congress. Both countries have already sent their formal commitment to ATAF for this event.

The final deadline for registration and payment to attend the 2017 Congress is 4 August 2016. To learn more about this event please visit the website <https://www.atnafrica.org/>

"The African Tax Research Network (ATRN), the first network of its kind in Africa, continues to promote an African-based Thought Leadership on Tax, tapping into and developing the talent, experience, and passion of African researchers. Our annual congress is a key event in this process and we are looking forward to robust debates again this year," said Dr Nara Monkam, ATAF Director of Research and member of the ATRN Board.

## 'Hands on' training workshop to boost researchers' skills

Twenty six researchers from Africa had the opportunity to think critically about their work and how to make improvements at a workshop held in May at the Escola Nacional de Administração (ENAD) in Luanda, Angola.

The workshop, held in English and French, is the key capacity building activity of the African Tax Research Network (ATRN) and takes place every year after the ATRN Annual Congress. This second edition of the fully funded Research Methods Training and Dissemination workshop for African researchers involved in the area of taxation was organised by ATAF and the International Centre for Tax and Development (ICTD) and hosted by the Angola Tax Administration (AGT).

The workshop aims at strengthening the research capacity of researchers who are already working in the area of taxation and development, but who feel their work could be improved with more rigorous and internationally accepted methods. The training provides an opportunity to reflect on the researchers' work in a critical way; rather than being a theoretical

introduction to entirely new methods.

This ensures "hands on" learning, where researchers think about their own work more rigorously and receive practical feedback on how to improve their research. As part of the workshop, a research dissemination session provides useful tips and tools on how to publish research papers as academic peer-reviewed articles and to communicate the key findings to broader policy audiences.

These courses target junior to mid-career researchers from Africa, or based in Africa, who conduct studies on relevant topics relevant to African tax administrations or African tax policies. In addition to other criteria in the selection process, the ATRN looked at gender balance, regional symmetry and, whether the research objectives, results and key recommendations are relevant and innovative, to address the challenges faced by African tax administrations and contributing to developing an African thought leadership in tax on the continent.

All participants are invited to be part of the African Tax Research Network. In this regard, the participants are

expected to submit their research papers to the annual ATRN Congress once they are reviewed and approved in a double-blind peer review process conducted by the ATRN Scientific Committee. After the ATRN Congress, the authors are invited to incorporate contributions and feedback from the audience into their papers which are subsequently submitted to the double-blind peer review process to qualify for publication in the ATRN Working Papers Series and/or the upcoming African Multidisciplinary Tax Journal.

In 2018, the Research Methods Training and Dissemination workshop will be offered in three languages (English, French and Portuguese), and it will leverage on and partner with existing training institutions of African tax administrations.

Any interested training institutions are welcome to contact ATAF at the ATRN e-mail address: [ATRNCongress@ataftax.org](mailto:ATRNCongress@ataftax.org)

To learn more about this event and other ATRN programmes please visit our website <https://www.atnafrica.org/>



Participants who attended the Research Methods Training and Dissemination workshop in Luanda gather for a group photo