



(Automatic) Exchange of Information

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Background

- The Economic Community of West African States (ECOWAS) was established on 28th of May 1975 with the purpose of promoting regional cooperation and economic integration;
- ECOWAS comprises of 15 Member States (MS): Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo;
- ECOWAS has since gradually widened the scope of its activities. Presently it conducts political, cultural and social activities as well as conflict resolution and prevention tasks, and strengthening the involvement of civil society in regional processes.



Background ⁽¹⁾

- Article 3 of the ECOWAS Revised Treaty spells out the aims of the Community:

“To promote co-operation and integration, leading to the establishment of an economic union in West Africa in order to raise the living standards of its peoples, and to maintain and enhance economic stability, foster relations among Member States and contribute to the progress and development of the African Continent.”



Background ⁽²⁾

- To achieve these aims, the Community is expected among others to establish a customs union and common market through:
 - the harmonization and co-ordination of national policies and the promotion of integration programmes, projects and activities, particularly in food, agriculture and natural resources, industry, transport and communications, energy, trade, money and finance, **taxation**, economic reform policies, human resources, education, information, culture, science, technology, services, health, tourism, legal matters
 - ECOWAS Trade liberalization Scheme (ETLS)
 - ECOWAS Common External Tariff (CET)
 - Free movement of persons, goods, services and capital, and to the right of residence and establishment



Background (3)

- As the Community strives towards the establishment of the common market with the introduction of the ECOWAS Trade Liberalization Scheme (ETLS), Common External Tariff (CET) and free movement of persons, capital, labour, goods and services, it is imperative to progressively harmonize tax policies and laws on domestic taxes in order to facilitate the free movement of people, capital, labour, goods and services and promote investment within the Community.



Background (4)

- The establishment of the Customs Union and creation of the common/single market will stimulate intra-community trade, investment and industrialization, create jobs and enhance the overall economic competitiveness of the ECOWAS region
- Effective information exchange thus is an essential variable to facilitate cross-border trade and consolidate the customs union and the common market.



Initiatives at ECOWAS

- To encourage intra-regional trade the Commission has developed a draft Supplementary Act adopting community rules on the taxation of income, capital and inheritance and the rules for their application within ECOWAS to eliminate double taxation, remove barriers to cross-border trade and investments, combat tax evasion, capital flight and facilitate revenue mobilization.
- Draft Regulation on Exchange of Information to counter tax evasion, improve voluntary tax compliance and stimulate resource mobilization.



Benefits of (A)EOI

Exchange of information (EOI) has greatly evolved over the years with the work of the OECD (Global Forum).

- EOI is a deterrent to tax evasion and avoidance
- Facilitates voluntary compliance
- Improves the quality of taxpayers database

Entry points to (A)EOI



- **The Global Forum on Transparency and Exchange of Information for Tax Purposes - (GF)** is the champion of Exchange of Information on Request (EOIR) and Automatic Exchange of Information (AEOI).
- **The Convention on Mutual Administrative Assistance in Tax Matters (the Convention)** - It is an instrument that is designed for the driving of all forms of tax co-operation geared towards tackling tax evasion and avoidance.
- **Tax Information Exchange Agreement - Tax Information Exchange Agreements (TIEA)**
- **Double Taxation Agreements**

Status of Exchange of Information in ECOWAS Member States



S/N	Member States	Global Forum ¹	The Convention ²	TIEAs
1	Benin			
2	Burkina Faso			
3	Cabo Verde			
4	Cote d'Ivoire			
5	Gambia			
6	Ghana			
7	Guinea Bissau			
8	Guinea			
9	Liberia			
10	Mali			
11	Niger			
12	Nigeria			
13	Senegal			
14	Sierra Leone			
15	Togo			

^[1] See *Global Forum Members and Observers* <<http://www.oecd.org/tax/transparency/about-the-global-forum/members/>> (accessed 18 May 2017)

^[2] See *Jurisdictions Participating in the Convention on Mutual Administrative Assistance in Tax Matters – Status: 12 May 2017* <http://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf> (accessed 18 May 2017)

Status of Exchange of Information in ECOWAS Member States(MS) ⁽¹⁾



- Nine (9) out of the fifteen (15) MS have committed to the Global Forum,
- Four (4) MS have committed to the Convention,
- Two (2) MS have committed to Tax Information Exchange Agreements and,
- Six (6) MS have not committed to any of the instruments.
- Clearly there is the need to promote exchange of information among the MS to facilitate the achievement of the Customs Union.

Way Forward



- Collaborate with OECD to:
 - Finalize draft Supplementary Act adopting community rules on the taxation of income, capital and inheritance and the rules for their application within ECOWAS
 - Finalize draft Regulation on Exchange of Information
 - Offer technical assistance to Member States especially the six (6) who are yet to commit to any form of exchange of Information:
 - ❑ Legal Agreement/basis to facilitate the exchange of information
 - ❑ Domestic infrastructure to facilitate the exchange of information (technical capacity, administrative capacity, bank secrecy, data/information protection, etc.)
 - ❑ Compliance/implementation of the Agreement



Thank you for you time
and Attention!