


CONCEPT NOTE


ORGANISATION OF A WORKSHOP FOR TAX OFFICIALS IN ECOWAS MEMBER STATES ON AFRICAN CONTINENTAL FREE TRADE AREA: REVENUE PROSPECTS AND IMPLICATIONS

(27th MARCH to 29th MARCH 2023)

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1. INTRODUCTION

With more than 1.3 billion¹ consumers and a combined GDP of more than US\$3.4 trillion² along with the expectation to expand the size of Africa's economy to US\$29 trillion by 2050, the African Continental Free Trade Area (AfCFTA) will be the largest free trade area in the world, in terms of member of countries, since the advent of the World Trade Organisation (WTO) in 1995.

As West Africa countries and other Regional Economic Communities (RECs) have intensified moves to harness the potentials inherent in the AfCFTA to boost regional and intra-African trade by the establishment of the common market through the ECOWAS Trade Liberalisation (ETLS) which has led to the introduction of Custom Union and the resultant implementation of the Common External Tariff (CET) at the regional level, it is hoped that these initiative will serve as a veritable building blocks for the Implementation of AfCFTA. Free movement of people, capital, labour, goods and services as well as promotion of investment within the Community is required for effective implementation. To achieve the desired outcome, it is imperative to progressively harmonize policies and laws on both trade, taxes and other fiscal policies.


In the heart of trade liberation generally and AfCFTA in particular, is the removal of tariff and non-tariff barriers at the borders. Accordingly, it is expected that Member States (MS) will remove tariffs at the borders for qualifying goods and services, being goods or services established to have been of an African origin under a well-developed Rule of Origin.

However, with the dwindling flow of Official Development Assistance to Member States (MS), fears remain as to what impact AfCFTA could have on Domestic Revenue Mobilisation (DRM) effort of member states. Others are concerned on the possible tax implication of enhanced movement of people and goods across the borders, they inquire as to what it portends for tax avoidance schemes, Transfer Pricing, tax treaties, amongst others.

Recognising the role of DRM in development of Member States and the need to clarify certain tax issues to boost their DRM effort as they enter into the thick of AfCFTA implementation, WATAF is organising this event to highlight the positive effects of the integration and minimise the negative effects of tax competition in Member States. This

¹ <https://au-afcfta.org/about/>

² Development of AfCFTA strategy and implementation plan – 007 MITI NAC-JU, February 2021



move is in line with WATAF's strategic plan for 2022-2024 which is to support and promote effective and efficient tax administration throughout West Africa and to build capacities of staffs of member tax administrations.

2. OBJECTIVES

The objectives of the training workshop on the African Continental Free Trade Area-Revenue prospects and implications are:

- i. To provide participants an overview of AfCFTA as an instrument;
- ii. To equip participants with the knowledge of economic implications of the AfCFTA;
- iii. To examine the Tax implication of AfCFTA to help Member States make a more informed tax policy choice.
- iv. To facilitate country experience and knowledge sharing.

3. DATE AND VENUE

The training workshop is scheduled for in-person appearance in Lomé, Togo from 27th to 29th March 2023. Detailed information on the venue to be provided.

4. TARGET PARTICIPANTS

Tax policy experts will be drawn from Tax Administrations and ministries of Finance/Trade and other relevant in WATAF Member States. It is envisioned to have a total number of twenty-five (25) to thirty (30) participants. At least three (3) tax officials from each of the fifteen (15) Tax Administrations of WATAF Member States and representatives from AfCFTA Secretariat are expected to participate in the training workshop.


The participants from WATAF Member States may

- i. Be tax officials, especially those in the International Taxation Office;
- ii. Be in customs or be working of Custom related functions.
- iii. Be involved in AfCFTA Implementation or Fiscal Policy Harmonisation Scheme.

5. EXPECTED OUTCOMES

At the end of the workshop, it is expected that the tax officials will:

- i. Understand the opportunities and challenges of the implementation of AfCFTA;

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- ii. Be able to highlight the link between AfCFTA and their Domestic Tax Law and also explain its impact on Domestic Revenue Mobiliation.s
 - iii. Be better equipped for the Implementation of AfCFTA from tax policy perspectives.

6. METHODOLOGY

The workshop will be held in English, Portuguese and French. Presentations shall also be made in the same manner to address the language barriers in the Sub-region. The workshop will be interactive to facilitate information sharing amongst member countries.

7. CONTACT

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8. ANNEX: AGENDA