

**5TH WATAF HIGH LEVEL POLICY DIALOGUE ON ENHANCING TAX
TRANSPARENCY AND COOPERATION IN WEST AFRICA**

20-22 SEPTEMBER 2023

INTRODUCTION

1. Participants across Board Members and Officials of Tax Administrations and Supervisory Ministries, Academia/Research Institutes, Civil Society Organisations (CSOs), Parliamentarians, the ECOWAS Commission, Development Partners/Donor Agencies, Tax Intermediaries/Consultants, Financial Institutions, International Non-Governmental Organisations (INGOs), Corporate Organisations, and other stakeholders, gathered in Praia from 20-22 September, 2023, to share thoughts on enhancing tax transparency and cooperation in West Africa.
2. Indeed, global economic liberalisation and globalisation have reached new heights in recent decades. Many governments have loosened or eliminated foreign investment and currency regulations. Taxpayers operate internationally, while revenue administrations are territorial. Today, anyone can invest abroad with a click of a computer button. Many have exploited opaque offshore structures and bank secrecy to hide their wealth and avoid paying taxes at home. Developing countries have suffered the most as billions of dollars of wealth go to wealthy nations and financial hubs. It is commonly known that majority of these monies come from unlawful enterprises, corruption, tax evasion, and other economic crimes. Thus, if West African countries rigorously pursue tax transparency and cooperation, it will raise tax revenue, combat tax evasion and illicit financial flows, and improve tax-related collaboration in the region.
3. In consonance with the current discussion about how all relevant stakeholders, including national tax authorities in developing countries, can work together on international tax issues, the HLPD provided an avenue for stakeholders with a strong

desire to increase revenue generation in West Africa to debate important issues and push for equal footing in discussions around global standards to stop base erosion and profit shifting (BEPS) and make sure that businesses and individuals pay taxes in the countries where they generate their income.

4. The WATAF HLD held at the Oasis Praiamar Hotel, Praia, Cabo Verde was facilitated by the West African Tax Administration Forum (WATAF) with the support of the National Revenue Department of Cabo Verde, United Nations Development Programme (UNDP), the ECOWAS Commission, International Bureau for Fiscal Documentation (IBFD), Organisation for Economic Cooperation and Development (OECD), the Network of Tax Organisations (NTO), International Centre for Tax and Development (ICTD), PwC, Africa AP Moller MAERSK, Tax Justice Network Africa (TJNA), African Tax Administration Forum (ATAF), Bearing Point Caribbean, ECOWAS Parliament, the Independent Commission for the Reform of International Corporate Taxation (ICRIT), Inter-American Center of Tax Administrations (CIAT), Kenya Revenue Authority (KRA), Ministry of Finance, Republic of the Maldives, United Nations Economic Commission for Africa (UNECA), West African Union of Tax Institutes (WAUTI) and the World Health Organisation (WHO).
5. Cabo Verde's Secretary of State for Business Development, Ms. Adalgisa Vaz, declared open the 5th WATAF High Level Policy Dialogue and the 19th General Assembly of WATAF after the Executive Secretary of WATAF, Mr. Babatunde Oladapo, had given his opening remarks. Oladapo noted that taxpayers have used the opportunities of opaque offshore structures and bank secrecy to keep investments hidden and pay no tax at home, where it is due. Developing countries have suffered the most; billions of dollars of wealth from the developing world end up in developed countries and financial centres. These funds are mostly the proceeds of illegal activities, corruption, tax evasion, and other forms of serious crimes. Therefore, there was no better time for professionals in the tax environment to come together to discuss and find ways of ensuring that tax revenue is not lost from these harmful tax practices. The representative of the Chairperson of the Forum, Mr. Yahya Manneh, said in his remarks that the topics for discussion were

burning issues that needed the attention of tax officials in the region. He noted that it is time to determine the best strategies to adopt with a view to increasing revenue for development in West Africa. The National Director of State Revenue of Cape Verde, Ms. Liza Helena Soares dos Santos Vaz, on her part thanked WATAF for choosing Cabo Verde as the venue to discuss vital topics of great relevance to member states. She stated that taxation is important for development and that it is therefore crucial that tax administrations in the region come together regularly to discuss ways of improving revenue in West Africa. There were goodwill messages from the ECOWAS President Representative in Cabo Verde, Amb. Dr. Samuel Lamptey, the representative of the President of the ECOWAS Parliament, Hon. Kebba Barrow, and Mr. David Matern, the Joint Representative of UNDP, UNFPA, and UNICEF in Cabo Verde.

6. After deliberations on the various sub-themes of the High-Level Policy Dialogue under the title **Enhancing Tax Transparency and Cooperation in West Africa**, there were recommendations on how to increase tax revenue through enhanced tax-related collaboration, combat tax evasion, and illicit financial flows in West Africa.

OUTCOMES/RESOLUTIONS:

7. Speakers noted that West African countries should actively engage in international forums and negotiations to ensure that the concerns and priorities of the region are considered in the development of global tax standards. However, there is a need to take into account the different needs and capacities of each country, and individual countries should make sovereign decisions based on the identified needs and capacities.
8. Tax administrations were advised to invest in training programmes and capacity-building initiatives for tax authorities to enhance their ability to understand international tax standards and regulations and advise on the best strategy that fits their jurisdictions the most.

9. Furthermore, Exchange of Information (EOI) was identified as a powerful tool that may be utilised to increase domestic revenue mobilisation, as demonstrated by the experiences of Nigeria and Ghana, and that the EOI tool is available for countries to take advantage of.
10. In addition, the HLPD resolved that WATAF should facilitate peer learning and experience sharing with counterparts from other jurisdictions to learn about successful EOI implementation and cross-border tax debt recovery. In this vein, countries in West Africa should strengthen and expand bilateral and multilateral agreements with other jurisdictions for the exchange of tax information, for cross-border tax debt recovery.
11. Going forward, tax administrations were encouraged to set up strategies and an adequate infrastructure dedicated to cross-border assistance for tax debt recovery.
12. Although, the HLPD acknowledged the important role played by international financial institutions and tax intermediaries in taxing multinational enterprises (MNEs); however, in order to prevent abuses and ingrain professionalism and ethics, all relevant parties must closely monitor and regulate their activities.
13. In addition, tax authorities were advised to study the emerging advancements in technology and seek reliance on new technologies and data to counter any adverse activities by intermediaries and their clients.
14. It was reiterated that the HLPD provides a platform for constructive dialogue with tax intermediaries, with a view to encouraging responsible and ethical practices that support effective taxation of the MNEs in West Africa.
15. Participants noted that WATAF is a member of the Network of Tax Organisations (NTO), which serves as a nexus of regional and international tax organisations that aims to develop a global platform to strengthen tax systems around the world, and that the NTO provides wider coverage for peer learning among tax administrations.
16. In response to the rising climate change challenges, the session encouraged West African countries to formulate comprehensive environmental tax policies that address not only climate change concerns but also contribute to achieving multiple

Sustainable Development Goals (SDGs), such as health and well-being, sustainable cities, and economic growth.

17. Also, participants advised Tax administrations to collaborate with key stakeholders such as research institutions and academia to conduct thorough impact assessments to understand the potential effects of environmental and health taxes on the economy, public health, and social well-being, with a view to ensuring a balanced approach to taxation.
18. Further to the above, the HLPD invited countries in West Africa to design environmental taxes to influence behavioural change, such as reducing fossil fuel consumption, promoting clean energy alternatives, and discourage environmentally harmful practices, as shown with the experience of the Maldives.
19. In conclusion, attendees expressed their appreciation to WATAF for hosting the HLPD and requested that WATAF continue hosting the event each year to provide pertinent stakeholders with an avenue to discuss important tax-related matters and establish a connection between tax policy and tax administration.