

*Joint IGF-OECD- WATAF Workshop (Virtual)*

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**CONCEPT NOTE:**

**JOINT IGF-OECD- WATAF WORKSHOP ON RISK ASSESSMENT BASED ON TAXPAYER TP DOCUMENTATION (MASTER FILE/LOCAL FILE)**

*January 24-25, 2024 (14:00 – 17:00 WAT)*

**Workshop description**

**Introduction:**

The West African Tax Administration Forum (WATAF) in collaboration with the Organisation for Economic Co-operation and Development (OECD) and the Inter-Governmental Forum on Mining, Mineral, Metals and Sustainable Development (IGF) is pleased to announce the fourth in a series of follow-up workshops on extractive taxation. This workshop is expected to take participants through risk assessment based on taxpayer Transfer Pricing (TP) documentation, specifically the Master File and Local File. The workshop is aimed at equipping tax officials with the skills and knowledge to effectively use TP documentation in identifying and addressing TP risks in the extractive sector.

**Background:**

In May 2022, WATAF held a training on the Risk-Based Tax Audit of the mining sector in Lome, Togo. This training was followed by three virtual workshops focusing on various aspects of extractive taxation. The first virtual workshop was on **taxing capital gains in offshore indirect transfers of mining assets**, while the second focused on **specific approaches to pricing of certain minerals in the intermediate stage**; the third was on **taxation of financial transactions occurring in the different stages of the mining value chain**.

**Workshop Objectives:**

This particular workshop aims to achieve the following objectives:

- Enhance participants' knowledge and skills in risk assessment based on taxpayer TP documentation.
- Provide practical guidance on using TP documentation to identify and address TP risks in the extractive sector.
- Foster collaboration and exchange of experiences among tax officials from different WATAF member countries.
- Review of previous workshop topics in the series.

**Target Audience:**

The workshop, just like other series, is designed for tax officials involved in the taxation of the extractive sector, particularly those responsible for transfer pricing audits and risk assessment. Participants are expected to have a basic understanding of transfer pricing concepts and practices.

**Methodology:**

The workshop will be a two-day virtual engagement, combining theoretical presentations with some level of practical exercises, and will be delivered by a team of experts from WATAF, OECD, and IGF, with experience in extractive sector taxation and transfer pricing. Participants will be provided with case studies to facilitate exercises.

**Expected Outcomes:**

1. Participants are expected to gain practical skills and knowledge in using TP documentation for risk assessment in the extractive sector.
2. The workshop will also provide a platform for networking and exchange of experiences among tax officials from different WATAF member countries.
3. Ultimately, the workshop is expected to contribute to the enhancement of extractive sector taxation in West Africa.

**Conclusion:**

This workshop is a continuation of WATAF's commitment to enhancing extractive sector taxation in West Africa. The hands-on training on using TP documentation for risk assessment is a crucial aspect of transfer pricing audits, and this workshop will provide tax officials with practical skills and knowledge in this area.

**AGENDA**

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**Day 1**

**Opening Remarks and Introductions**

**Welcome remarks by WATAF, OECD, and IGF representatives**

**Introduction of facilitators and housekeeping rules announcement**

**Overview of Transfer Pricing and Extractive Sector**

- Definition and objectives of transfer pricing
- Overview of transfer pricing rules in the extractive sector
- TP documentation requirements (Master File and Local File)

**Break – 10 Minutes**

**Practical Analysis of Master and Local File**

- Overview of the Master File
- Review and analysis of a case study Master File
- Overview of the Local File
- Review and analysis of a case study Local File

## Day 2:

### **Risk Assessment based on TP Documentation**

- Identification of TP risks based on Master File and Local File
- Mitigation of TP risks through TP documentation

### **Case Study: Applying TP Documentation in Extractive Sector Audits**

- Review of a case study on the use of TP documentation in an extractive sector audit

### **Break – 10 Minutes**

### **Sharing of Experiences and Best Practices; Future Directions in Extractive Sector Taxation and TP Documentation**

- Participants share their experiences and best practices in using TP documentation for risk assessment
- Discussion of emerging issues in extractive sector taxation and TP documentation
- Identification of areas for further research and collaboration

### **Closing Remarks and Evaluation**

- Closing remarks from WATAF, OECD, and IGF representatives
- Evaluation of the workshop by participants