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In association with

World Bank Group

United Nations Office on Drugs and Crime (UNODC)

African Tax Institute

And

Tax Justice Network Africa

**2023 Summer School - Enhancing the Capacity of Civil Society
Organizations in Efforts to Curb Illicit Financial Flows**

Dates: 21 – 23 February, 2023

Venue: Pretoria, South Africa

Summer School

Enhancing the Capacity of Civil Society Organizations in Efforts to Curb Illicit Financial Flows

Dates: (21/02/2023 – 23/02/2023)

Objective:

In the last decade, civil society organizations (CSOs) have increasingly become involved in tax policy reform. This has been influenced in part by the international focus on domestic resource mobilization as states work to finance the sustainable development goals and on the other part by increased focus on the impact of the international tax system on lower income states.¹ CSOs see their work in tax policy reform as important in shaping how domestic resource mobilization efforts can be utilized to fund development and promoting a transparent and equitable tax system.²

In its 2020 study, the International Budget Partnership identified 171 CSOs spread across 66 countries carrying on tax reform work.³ Based on this research, a large proportion of the work conducted focused on international tax issues with the most common areas of focus being on illicit financial flows (IFFs) base erosion and profit shifting and the taxation of extractives.⁴ Although the CSOs also look at domestic taxation this is generally in a broader sense and the organizations are more focused on effectiveness of the tax administration and a progressive tax. CSOs reviewed generally get involved in advocacy, research and creation of pathways for participation and engagement in tax policymaking.⁵ While technical capacity is not the only challenge faced by CSOs in their involvement in tax policy reform, it does constitute a significant constraint in their ability to perform their activities. Historically, the technicality of tax has restricted the involvement of CSOs in the field.⁶ Technical expertise continues to be a major limitation with studies done by the overseas development institute indicating that in many CSOs the expertise tends to be centered on just one or two people and in many cases the expertise are outsourced.⁷ Additionally, those with technical expertise are prone to being poached by international organizations and donor agencies.⁸

The summer school intends to bridge this capacity gap. African CSOs have an important role to play as accountability partners to state governments and tax administrations and the courses offered will provide an insight on the current international tax issues and

¹ F. Mohiuddin & P.D Renzio, 'Of Citizens and Taxes: A Global Scan of Civil Society Work on Taxation', International Budget Partnership, November 2020. Accessed at [cso-tax-scan-november-2020.pdf \(internationalbudget.org\)](#)

² Ibid

³ Ibid

⁴ Ibid

⁵ Ibid

⁶ J. Kangave, and, M.W Katusiimeh, 'Tax bargains: understanding the role played by public and private actors in influencing tax policy reform in Uganda. Geneva: United Nations Research Institute for Social Development, 2015. Accessed at [http://www.unrisd.org/unrisd/website/document.nsf/\(httpPublications\)/130E704299E06FF4C1257DE4003A47A5?OpenDocument](http://www.unrisd.org/unrisd/website/document.nsf/(httpPublications)/130E704299E06FF4C1257DE4003A47A5?OpenDocument)

⁷ S Sharp, S Sweet, & A.R Menocal, 'Civil society engagement in tax reform', Overseas development Institute, September 2019. Accessed at [190925-civil-society-engagement-report.pdf \(transparency-initiative.org\)](#)

⁸ Mohiuddin & Renzio (n 1)

provide a meaningful foundation for the CSOs to come up with a unified narrative as they continue to pursue their objectives within the tax policy space.

The summer school intends to attract 30 participants representing African CSOs that have operations across the seven focus countries.⁹ Participants will take part in two webinars prior to the summer school that will provide the contextual framework for the topics covered at the summer school. These events will help us build a framework for additional engagement with CSOs, including future summer schools and publications.

Program:

DAY ONE: TUESDAY 21 2023 – INTRODUCTION TO INTERNATIONAL TAX PRINCIPLES	
09:00 – 09:45	<p>Welcoming remarks</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ▪ Jeffrey Owens, WU GTPC ▪ Alvin Mosioma , TJNA ▪ Riël Franzsen, ATI <p><i>Overview:</i></p> <p>An overview of the Institute, the structure of the institute, its main areas of focus, its partners and the opportunities available for researchers to gain further expertise.</p> <p>An overview of the tax and good governance project – what are its objectives? What has been achieved thus far? What is the future of the project? How are CSOs involved in the project? What are the non-compliance challenges that arise in implementation of international tax principles? Avoidance v evasion tactics?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ WU GTPC Brochure
09:45– 11:15	<p>International tax treaties</p> <p><i>Speaker:</i></p> <ul style="list-style-type: none"> • Annet Oguttu, ATI • Ivan Lazarov, WU GTPC <p><i>Overview:</i></p> <p>Treaty negotiation, the UN v OECD tax treaty models, the impact of BEPS on treaty provisions, elements of treaties that may raise concerns over IFFs. What do African countries have to consider in their review of their current treaty networks? (Recent trends for example, the suspension of the Mauritius-Zambia treaty and the court case on the Kenya- Mauritius treaty)</p> <p><i>Documentation:</i></p>

⁹ Nigeria, Ghana, Kenya, Rwanda, South Africa, Zambia and Uganda

	<ul style="list-style-type: none"> ▪ Lang, Michael and Owens, Jeffrey (2014). The Role of Tax Treaties in Facilitating Development and Protecting the Tax Base. <i>WU International Taxation Research Paper Series</i>, 2014-03. ▪ Lang, Michael (2021). Introduction to the law of double taxation conventions (3. Auflage.). Wien: Linde Verlag Ges.m.b.H. ▪ Hearson, Martin (2018). When do Developing Countries Negotiate Away Their Corporate Tax Base? <i>Journal of International Development</i>, 30 (2), 233-255.
11:15 – 11:30	<i>BREAK</i>
11:30 – 12:30	<p>Transfer pricing</p> <p><i>Speaker:</i></p> <ul style="list-style-type: none"> ▪ Bernd Schlenther, ATI ▪ Prof Thabo Legwaila, University of Johannesburg <p><i>Overview:</i></p> <p>Transfer pricing basics: what are the underpinning principles of transfer pricing? What are the significant changes to transfer pricing rules in light of BEPS in the African context? Is there room for further policy reform? Use of African TP case studies.</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Petruzzi, Raffaele/Cottani, Giammarco/Lang, Michael (2021). Fundamentals of transfer pricing: general topics and specific transactions. Alphen aan den Rijn: Wolters Kluwer. ▪ Lang, Michael/Petruzzi, Raffaele (2021). Transfer pricing developments around the world 2021. Alphen aan den Rijn: Wolters Kluwer.
12:30 – 14:00	<i>LUNCH BREAK</i>
14:00 - 15:30	<p>Tax transparency</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ▪ Joy Ndubai, WU GTPC ▪ Annet Oguttu, ATI <p><i>Overview:</i></p> <p>Tax transparency post BEPS – what has been the evolution of transparency rules? How have the automatic exchange of information and CbC reporting requirements changed the approach to tax transparency? Will these changes have an impact on lower income states? What has been the trend in African states? What does the future look like for tax transparency?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Ates Leyla (2020). Tax Information Production, Sharing, Use and Publication. The UN High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) Background Paper 2.

15:30 – 16:00	<i>BREAK</i>
16:00 – 17:00	<p>Introduction to the concept of IFFs</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ▪ Bernd Schlenther, ATI ▪ Chenai Mukumba, TJNA <p><i>Overview:</i></p> <p>Why is the discussion around IFFs important? What are new factors that continue to increase IFFs (technology, trade and transparency)? What role do CSOs play in the efforts to curb IFFs? Why is this topic important to the African continent?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Owens, Jeffrey/McDonell, Rick/Franzsen, Riël/Amos, Jude Thaddeus (2017). Inter-agency Cooperation and Good Tax Governance in Africa. Pretoria University Law Press (PULP). ▪ UNCTAD (2020). Economic Development in Africa Report 2020: Tackling Illicit Financial Flows for Sustainable Development in Africa. UNCTAD/ALDC/Africa/2020. ▪ Tax and Good Governance in Africa, best Practices Manual – WU GTPC
DAY TWO: WEDNESDAY 22 2023: ACCESS TO OWNERSHIP INFORMATION	
09:00 – 10:30	<p>Identifying controllers and owners of trusts</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ▪ Joy Ndubai, WU GTPC ▪ Annet Oguttu, ATI <p><i>Overview:</i></p> <p>What are trusts and what tax concerns do they raise? What is the international best practice in the treatment of trusts? What are the case studies available from developing states (success and challenges faced by these states)? What have we learned from Panama, Paradise and Pandora Papers?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Joint WU/WB beneficial ownership report ▪ Note from beneficial ownership focus group
10:30 – 11:00	<i>BREAK</i>
11:00 – 12:30	<p>Unexplained wealth orders</p> <p><i>Speaker:</i></p> <ul style="list-style-type: none"> ▪ Nathalia Oliveira Costa, WU GTPC

	<ul style="list-style-type: none"> ▪ Ruth Maina, WU GTPC <p><i>Overview:</i></p> <p>What are unexplained wealth orders (UWO) and how have they been utilized to curb illicit financial flows? Have there been successes for developing states using UWO? What opportunities are available to explore the use of UWO?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Joint WB/WU GTPC unexplained wealth orders publication ▪ Note from UWO focus group
12:30 – 14:00	<i>LUNCH BREAK</i>
14:00 – 15:30	<p>Interagency cooperation</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ▪ Joy Ndubai, WU GTPC ▪ Rao Siddhesh, WU GTPC <p><i>Overview:</i></p> <p>What risks are faced by the lack of interagency cooperation? What are the levels of interagency cooperation? How does interagency cooperation increase access to beneficial ownership? How can this prevent illicit financial flows? What are the main constraints to interagency cooperation in the African context? What are the examples of successful use of interagency cooperation in Africa? What role can CSOs play in promoting interagency cooperation?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Joint WU/WB Interagency Cooperation Publication ▪ Note from interagency cooperation focus group
15:30 – 16:00	<i>BREAK</i>
16:00 – 17:00	<p>CLIENT ATTORNEY PRIVILEGE</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ▪ Ivan Lazarov, WU GTPC ▪ Rao Siddhesh, WU GTPC <p><i>Overview:</i></p> <p>What tax concerns are raised by client attorney privilege (CAP)? What is the view of the African legislature and advocates on misuse of CAP? What methods are being utilized in Africa/other developing states to prevent the risks associated with the client attorney privilege? What more can be done to prevent misuse of the client attorney privilege?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Note from CAP focus group

DAY THREE:THURSDAY 23 2023 : TECHNOLOGY AND IFFS

09:00 – 10:30	<p>IFFS in the digital era</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none">▪ Nathalia Oliveira Costa, WU GTPC▪ Ivan Lazarov, WU GTPC▪ Bernd Schlenther, ATI <p><i>Overview:</i></p> <p>What impact does technology have on illicit financial flows (use of technology by tax administrations and by criminals to facilitate illicit flows)? How does technology enhance interagency cooperation and effectiveness of tax administrations? What opportunities are available for use of technology?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none">▪ Draft note from technology focus group▪ Institute for Austrian and International Tax Law (2022). Digital Tax Administrations Roadmap and Metrics for Evaluating Digital Maturity: New Opportunities for Countries in the ECA Region.
10:30 – 11:00	<i>BREAK</i>
11:00 – 12:30	<p>Case study: how technology has been used to curb IFFs</p> <p><i>Speaker:</i></p> <ul style="list-style-type: none">▪ Nathalia Oliveira Costa, WU GTPC▪ Ivan Lazarov, WU GTPC <p><i>Overview:</i></p> <p>African/developing states case studies on successful use of technology to enhance interagency cooperation, sourcing of beneficial ownership information and curbing illicit flows. The role of new technologies in efforts to curb IFFs.</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none">▪ Country presentations
12:30 – 14:00	<i>LUNCH BREAK</i>
14:00 – 15:00	<p>The interplay between tax, trade and investment – the impact of the AfCFTA</p> <p><i>Speaker:</i></p> <ul style="list-style-type: none">▪ Ivan Lazarov, WU GTPC <p><i>Overview:</i></p> <p>What is the link between trade, tax and investment agreements? What is the current interaction between the different policy experts at an international level? How do trade agreements approach tax and vice</p>

	<p>versa? What loopholes exist as a result of differing objectives and do they increase the risk of illicit flows?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Draft note from trade focus group ▪ UNCTAD (2021). International Investment Agreements and their Implications for Tax Measures: What Tax Policymakers Need to Know – A guide based on UNCTAD’s Investment Policy Framework for Sustainable Development. UNCTAD/DIAE/PCB/INF/2021/3. ▪ UNCTAD (2022).World Investment Report: International Tax Reforms and Sustainable Investment. UNCTAD/WIR/2022. ▪ Owens, Jeffrey and Ndubai, Joy W. Evaluating the Interaction between and Comparability of the Global Anti-Base Erosion Proposal with International Trade Rules.
15:00– 15:30	<i>BREAK</i>
15:30 – 16:45	<p>The impact of the African Continental Free Trade Agreement (AfCFTA)</p> <p><i>Speaker</i></p> <ul style="list-style-type: none"> ▪ Joy Ndubai, WU GTPC ▪ Ruth Maina, WU GTPC <p><i>Overview:</i></p> <p>What is the AfCFTA? What are the overall objectives of the agreement? How is tax treated in the Agreement? What is the potential impact on tax and customs revenue?</p> <p>What provisions raise concerns over illicit flows (rules of origin, interaction with regional economic communities, interagency cooperation and treatment of tax disputes in the agreement)? What does the future look like in light of these risks?</p> <p><i>Documentation:</i></p> <ul style="list-style-type: none"> ▪ Institute for Austrian and International Tax Law & African Tax Administration Forum. Identifying the Revenue and Broader Tax Policy Implications of the African Continental Free Trade Area ▪ Lazarov Ivan & Ndubai Joy W. Identifying the Potential Tax Implications of Selected Provisions of the African Continental Free Trade Agreement: Experiences from the EU and Some Insights from the WTO.
16:45 – 17:00	<p>Round-up</p> <p><i>Speaker</i></p> <ul style="list-style-type: none"> ▪ Jeffrey Owens, WU GTPC ▪ Alvin Mosioma, TJNA <p><i>Overview</i></p> <p>What roles do CSOs play in promoting effective mechanisms to combat illicit financial flows in the digital era and in light of new trade agreements?</p>

	How can CSOs develop a unified narrative and approach to the risks raised? What additional work can be done by the institute and participants to strengthen CSO participation in efforts to curb illicit flows?
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