



## 4<sup>TH</sup> HIGH-LEVEL TAX POLICY DIALOGUE: A COLLABORATION BETWEEN THE AFRICAN TAX ADMINISTRATION FORUM AND THE AFRICAN UNION COMMISSION

### TAXING RIGHTS FOR AFRICA IN THE NEW WORLD & EFFECTS OF COVID-19: THE ROLE OF TAX POLICYMAKERS & TAX ADMINISTRATORS

26 – 27 AUGUST 2020

(A VIRTUAL CONFERENCE)

(Time is GMT – Virtual Environment Opens at 08h45 GMT)

#### AGENDA

WEDNESDAY, 26 AUGUST 2020

09h00 – 09h30

#### OPENING SESSION

- Programme Facilitator

#### REMARKS

- Mr Logan Wort – Executive Secretary; ATAF
- Mr Muhammad Nami – Chairman; ATAF
- H.E. Victor Harison – Commissioner; Economic Affairs, African Union Commission

09h30 – 10h45

#### SESSION 1: IS A GLOBAL CONSENSUS ON TAXING THE DIGITALISED ECONOMY STILL POSSIBLE: ANY OPTIONS FOR AFRICA?

*Over the last three years, through the Inclusive Framework, countries have engaged in discussions to reach a consensus-based solution for taxing the digital economy. Despite the progress that has been made resulting in the announcement of the proposed Unified Approach in October 2019, the recent COVID-19 crisis, and disputes among nations regarding the implementation of unilateral approaches continue to impact the timelines set for a solution. With the added need for more tax revenues in Africa resulting from the COVID-19 pandemic that has profoundly affected our economies, what options do we have regarding taxing digital MNEs that continue to do business in our countries remotely? With ten (10) African countries exploring unilateral approaches; this session, will delve into the current global debate regarding the tax challenges arising from taxing the digital economy, and also discuss options available for Africa countries in taxing digital MNEs.*

10h45 – 11h45

#### SESSION 2: DOMESTIC REVENUE MOBILISATION IN AFRICA – KEY LESSONS FROM THE COVID-19 PANDEMIC

*As a result of the COVID-19 pandemic, the International Monetary Fund (IMF) estimates that for the first time, every region in the world is in recession, with sub-Saharan Africa impacted by a -3.2% contraction of GDP. Resulting from this downward trend in economic activity are significant tax revenue shortfalls, that continue to hamper domestic revenue mobilisation efforts of African countries. As a result of the pandemic, multiple African countries implemented emergency tax and fiscal policy measures to ease the burden on taxpayers and support businesses and individuals with cash flow problems, with difficulties in meeting reporting or payment obligations or otherwise facing hardship. Also, African tax administrations had to deploy business continuity measures to operate in the new world of social distancing, by adjusting working hours and reducing congestion in tax offices, among other things. With all these issues arising from the COVID-19 pandemic, panellists will unpack these issues and proffer solutions that will make African countries more resilient for future crises.*





11h45 – 12h45

**SESSION 3: DETERMINING TAX POLICY IN AFRICA – WHO SHOULD BE INVOLVED?**

*As African countries require more taxing rights in the new world after COVID-19, it is vital that as a union, we are clear about the roles of the African Union Commission and individual states regarding tax policy. As much as African countries having sovereign rights to implement tax policy, other regions have shown that working together to implement tax policies as a bloc, collectively improves tax policy measures and tax administration initiatives. Additionally, pursuing African taxing rights also require political support that can only come from enhanced collaboration and cooperation. Therefore, during this session, the panellists will discuss the role of the African Union Commission and countries in setting tax policy and explore various options on how we can change the status quo in collectively working together as a bloc.*

**END OF DAY 1**





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09h00 – 10h00

#### SESSION 4: THE IMPACT OF AfCFTA ON TRADE AND TAX REVENUE ON AFRICAN STATES

As part of the African Union's Africa 2063: The Africa We Want initiative, the ambitious implementation of the African Continental Free Trade Area (AfCFTA) will positively impact African economies resulting from increased trade among nations. Although the planned start of AfCFTA of 1 July 2020 was affected by the COVID-19 crisis, the economic boom resulting from the full implementation of AfCFTA will positively impact tax revenues across the continent in the long run. However, the United Nations Economic Commission for Africa (UNECA) estimates that in the short-term, tax revenues will reduce in some African countries as a result of AfCFTA. In this session, panellists will discuss the impact of AfCFTA on tax revenues, tax policy measures required by African countries to benefit from its implementation, and critical negotiations issues being discussed between countries.

10h00 – 11h00

#### SESSION 5: A COLLABORATIVE APPROACH TO IMPROVING DOMESTIC REVENUE MOBILISATION IN AFRICA

In designing, administering, and monitoring a modern tax system that improves domestic revenue mobilisation efforts, it is vital for tax policymakers and tax administration officials to work together. However, this is not always the case as there is sometimes conflict between the Ministry of Finance officials and revenue authorities regarding the formulation of tax policy and the implementation of tax administration initiatives and measures. Additionally, it is crucial that tax officials also get feedback on tax policy measures from the private sector, as the change in tax rules impacts these businesses. In fostering closer links between these officials, ATAF is delivering the tax policy and tax administration nexus project, to ensure there is cohesion in the working relationship in increasing tax revenues. During this session, participants will unpack these conflicts and areas of confusion, and discuss crucial steps finance ministry officials and tax administration need to take to work towards a unified goal of boosting tax revenues. The session will also explore ways the private sector can be involved in the tax policy design process.

11h00 – 12h30

#### SESSION 6: TAX AND GENDER – IMPACT OF COVID-19 ON GENDER: A SPECIAL SESSION DELIVERED IN COLLABORATION WITH DFID AND OECD

The COVID-19 pandemic has created a turmoil worldwide, having different implications for men and women. Women are facing many burdens; they are leading the health response: women make up almost 70% of the health care workforce, exposing them to a greater risk of infection. Tax policy and tax administration measures play a crucial role in supporting individuals and businesses as we navigate this crisis, the gender impact of taxation is often overlooked – with serious consequences for gender equality. This session will look at the impact of COVID-19 and the challenges; impact on informality and the tax policy and tax administration responses on gender.





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12h30 – 13h00

**CLOSING SESSION**

***Rapporteur to give the Conference outcomes***

*Closing Remarks:*

- Mr Logan Wort – Executive Secretary; ATAF
- Mr Muhammad Nami – Chairman; ATAF
- H.E. Victor Harison – Commissioner; Economic Affairs, African Union Commission

**END OF DAY 2**

