

5TH HIGH-LEVEL TAX POLICY DIALOGUE: A COLLABORATION BETWEEN THE AFRICAN TAX ADMINISTRATION FORUM AND THE AFRICAN UNION COMMISSION

POST-COVID TAXATION: POLICY AND ADMINISTRATIVE STRATEGIES FOR MOBILISING ENHANCED DOMESTIC TAXES IN AFRICA

5 – 6 MAY 2021

(A VIRTUAL CONFERENCE)

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

AGENDA

WEDNESDAY, 5 MAY 2021

09h00 – 09h30 **OPENING SESSION**

- Programme Facilitator

REMARKS

- Mr Logan Wort – Executive Secretary; ATAF
- Mr Philippe Tchodie – Chairman; ATAF
- H.E. Albert Muchanga – Commissioner; Economic Development, Trade, Industry and Mining; African Union Commission

09h30 – 10h45 **SESSION 1: PRIVATE SECTOR DEVELOPMENT - BALANCED APPROACH TO TAX POLICY AND ADMINISTRATION FOR ECONOMIC STABILISATION**

The World Health Organisation (WHO), in March 2020, declared COVID-19 to be a pandemic. The spread of the coronavirus throughout various parts of the world necessitated the introduction of measures designed to 'flatten the curve'. In many parts of the world, borders were closed, and economic activity halted. COVID-19 resulted in significant fatalities and loss of productivity and livelihood. While fatality rates were significantly lower on the continent, when compared with Europe and the US, the pandemic has had a devastating impact on the economies of many African countries that rely on sectors such as tourism, agriculture and the extractive economy. The significant decline in exports has further curtailed Gross Domestic Product (GDP) growth. In this light, African countries must take a balanced approach in creating an environment that facilitates the upturn of economic activities while optimising much needed tax revenue for the provision of socioeconomic infrastructure. The observation is that most African jurisdictions have concerted efforts on deepening the tax base through policies and processes that improve tax compliance rather than introducing new taxes. It has been a case of providing incentives necessary to ensure the survival and sustenance of economic activities affected by COVID-19 while making sure that relevant economic actors pay their fair share of taxes. This discussion explores the extent to which tax policy and administration have approached and should approach the various stages of responding to the pandemic with a balancing act between supporting government finances and inclusive economic growth.

10h45 – 11h45 **SESSION 2: COVID-19: THE ROLE OF INDIRECT TAX POLICY AND ADMINISTRATION IN MITIGATING THE SOCIOECONOMIC IMPACT OF THE PANDEMIC**

In African Tax Outlook countries, indirect tax revenue accounts for a higher share of GDP and total revenue at 9.3% and 61%, respectively, with a similar trend shown in the regional economic groupings. Specifically, VAT is the highest contributor to total tax revenue at 30.6%. Considering the contribution of indirect tax to DRM in Africa and its relationship with economic decisions at the micro and macroeconomic levels, it is not only important to consider the performance of indirect tax measures that have been adopted in containing and mitigating the impact of COVID-19, but also to exploit the lessons learned from the adaptability demonstrated by revenue authorities. The session will also discuss the role of indirect tax in fostering economic recovery and growth.

11h45 – 12h45 SESSION 3: THE FUTURE OF RESOURCE TAXATION

For many resource-rich developing countries, mineral resources present an unparalleled economic opportunity to increase government revenue and national economic activity. However, the reality is that most developing countries have struggled to fully realize the expected revenues from the sector due to a range of challenges, both external, such as aggressive tax planning by multinationals, and internal, including weak enforcement of tax laws and overly generous tax incentives. The Future of Resource Taxation is a dedicated dialogue for governments, civil society, and industry to exchange ideas on how the current system of mining taxation can be improved, as well as alternative options available to resource-rich countries to maximize the returns from their mineral wealth. The IGF and ATAF through the Future of Resource Taxation initiative, has called for ideas from non-governmental stakeholders and will be launching the government survey during this session.

END OF DAY 1

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THURSDAY, 6 MAY 2021

09h00 – 10h00 **SESSION 4: TAX COMPLIANCE IMPROVEMENT FRAMEWORKS: POLICY ISSUES FOR ENABLING ACCESS TO INFORMATION BY TAX ADMINISTRATIONS**

Due to the constrained economic environment, it has become necessary for administrations to seriously consider optimising already existing processes to increase efficiencies in Domestic Revenue Mobilization (DRM). A revenue service that will thrive in the current climate will focus on continuously enhancing both its human and process capabilities. Access to taxpayer data and the effective use thereof could serve as a critical tool for enhancing DRM. Data and the use of data analytics could be applied as a critical tool to inform revenue administrations regarding the allocation of scant human resources in order to achieve a high level of output. This session explores insights into the requisite informational frameworks (both policy and administrative) that can be put in place by revenue administrations in enhancing DRM.

10h00 – 11h00 **SESSION 5: APPLYING THE SCIENCE MODEL TO TAX POLICIES AND ADMINISTRATION**

The Uganda Revenue Authority (URA) has been at the forefront of developing and applying Science and Digital Forensics approaches in tax administration. These approaches have been a fundamental feature of URA's enhanced compliance management strategy. Indeed, by exploiting their versatility and novelty, the administration has realised significant benefits, including better tax-audit outcomes, identification of hitherto complex fraud schemes and improved policy, litigation and arbitration support.

11h00 – 12h00 **SESSION 6: ASSESSING AND IMPROVING THE PERFORMANCE OF TAX SYSTEMS**

The improvement of tax systems is underpinned by having the necessary data and analytical tools to evaluate the performance of the tax system and deducing the areas of focus for reforms. There are various tax administration assessment tools such as the ATAF's African Tax Outlook (ATO) project, OECD FTA Maturity Models, RA-GAP, TADAT, Tax Administration Fiscal Blueprints and Tax DIAMOND. These tools use a wide range of data to measure the performance of tax administrations and could be used collectively or individually to assess various aspects of a tax system. For African countries to sustain the progress in improving their tax systems, there is a need to periodically conduct these assessments enabled by harnessing relevant data and information from within and outside the tax administration.

12h30 – 13h00

CLOSING SESSION

Rapporteur to give the Conference outcomes

Closing Remarks:

- Mr Logan Wort – Executive Secretary; ATAF
- Philippe Tchodie – Chairman; ATAF
- H.E. Albert Muchanga – Commissioner; Economic Development, Trade, Industry and Mining; African Union Commission

END OF DAY 2