



Declaration of Participants of the Southern Africa Regional Tax Policy Round

Table

14 – 15 September 2010

Johannesburg, South Africa

We, participants of the two day policy round table held in Johannesburg – South Africa on the 14th and 15th of September 2010 organized by the Africa Forum and Network on Debt and Development (AFRODAD) in collaboration with the Institute for Democracy in South Africa (IDASA) and the Tax Justice Network-Africa(TJN-A):

- a) Considering that well designed tax policies that take into account the nature of the African economies and effective tax collection can guarantee resource mobilization and utilization to accelerate socio-economic growth and welfare creation;
- b) Recognizing that many African states lack the political will and / or capacity to design an equitable tax policy;
- c) Recognizing the critical role of parliament and other democratic institutions and that they need capacity to carry out their role
- d) Recognizing that the prevailing tax regimes risk reinforcing inequality and eroding the already fragile social fabric;
- e) Recognizing that citizens' participation in the formulation of equitable tax policy enhances efficiency and effectiveness of revenue generation and redistribution;
- f) Recognizing that Africa's blessing with resources has turned into a curse because of the secretive investment agreements that expose African resources to foreign exploitation while promoting corruption;

- g) Recognizing that the concessions and tax incentives offered to multinational companies and other national conglomerates minimize the benefit African countries could have derived from their resources;
- h) Recognizing that the laxity in revenue collection, outright tax evasion and predatory tax avoidance by multinational companies is resulting in excessive and increasing loss of revenue which exceeds all forms of resource inflow to the continent;
- i) Recognizing that stopping resource leakages - caused by disadvantageous investment agreements, a policy of tax incentive to attract foreign investment and predatory practice of multinationals facilitated by secrecy jurisdictions - should be pursued by African governments as a central policy for domestic resource mobilization geared towards poverty eradication and development
- j) Recognizing the importance of transparency and accountability including parliamentary oversight in the design and implementation of tax policies and the need for capacity building of oversight bodies
- k) Recognizing that the MDGs will not be attained in many African countries partly due to inadequate domestic resource mobilization efforts, and that tax remains the most reliable and predictable source of financing the MDGs

Call upon African Governments

- to work with African Civil society for the elaboration of tax policies that are fair, progressive and equitable
- to improve capacity, transparency and efficiency and accountability of revenue authorities
- to revise investment agreements and ensure that future agreements are transparent and open to public scrutiny
- to close loopholes that facilitate tax evasion and enable aggressive tax avoidance
- to introduce tax expenditure statements in national budgets
- to work together in regional and pan-African fora to demand with one voice an end to lack of transparency in international financial transactions facilitated by secrecy

- jurisdictions and in the same spirit the introduction of a country by country reporting for multinational corporations
- to scale up public education and civic engagement on tax issues
 - to harmonize taxation policies in line with the economic integration agenda

Call upon Members of Parliament

- in their role as members of an oversight institution to ensure effective, transparent and accountable use of state revenue
- in their capacity as legislators to take a lead in tax reform process, including enacting fair and equitable tax legislation that enhances public revenue and minimizes tax evasion and aggressive tax avoidance
- to engage in institutional and legislative reforms that will guarantee their independence, capacity and powers to effectively perform their oversight function

Call on the South African Government

- as member of the G20 to advance African interests on this platform and to push for the adoption of Country-by-Country reporting; the identification and registration of beneficial ownership in all jurisdictions, as well as for a multilateral agreement on automatic tax information exchange between jurisdictions

Call on the African Union and other regional bodies

- to facilitate and coordinate collaboration of African governments on tax matters

Call on African Civil Society in the region and beyond

- to join us in our struggle for a fair and equitable tax policy at the national level that will enable the use of resources from taxation to ensure decent life with dignity for all Africans
- to call for and support cooperation at the international level to put an end to illicit outflow of resources needed for the development of the continent

- to strengthen partnership, collaboration with revenue authorities, parliaments and other state and non state actors in promoting fair, transparent and sustainable taxation

We commit ourselves to work collaboratively to advance the tax justice agenda in our respective countries, to coordinate our efforts for equitable domestic revenue mobilization and to stop illicit capital flight.

Done in Johannesburg, South Africa on 15th September 2010

Signed by

AFRODAD - Zimbabwe

IDASA – South Africa

Tax Justice Network – Africa - Kenya

SADC Parliamentary Forum - Namibia

Institute of Security Studies – South Africa

Eastern African Taxation Institute - Kenya

Centre for Trade Policy and Development - Zambia

Economic Justice Network Lesotho - Lesotho

Economic Justice Network of FOCCISA – South Africa

SADC Council of NGOs - Botswana

Alternative Information and Development Centre – South Africa

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