

## PRESS RELEASE

### African Civil Society Organizations Call for Rejection of OECD/G20 Global Tax Deal

*If passed, the OECD/G20 Tax deal will be an additional burden to African economies that are recovering from the Covid-19 pandemic.*

**Nairobi, 29 October 2021** – African countries will open a dark chapter in taxation of multinational corporations unless they reject the OECD/G20 proposal to introduce a 15% global minimum tax rate.

The continent has been losing USD89 billion (KES9.8 trillion) in systemic tax avoidance by multinational corporations but a lower corporate tax rate of 15%, levied on companies that are making millions of dollars in profit will further reduce African governments' tax collections. The tax deal has not considered the realities of developing countries' tax systems.

Approximately 123 countries, the majority of which are developed, recently endorsed the OECD/G20's two-pillar taxation proposal: Pillar One allocates taxing rights to "market countries" where multinationals operate, and Pillar Two establishes a global minimum corporate tax rate of 15%, which would be applied where multinationals are headquartered.

Over 100 civil society organizations from across Africa have criticized the OECD/G20 proposal and are calling on the G20 heads of state summit to stop the deal. As organizations advocating for social, economic, and environmental justice in Africa, they echo the widespread critique of the OECD/G20 tax deal.

The Executive Director of Tax Justice Network Africa, Alvin Mosioma states, *"The proposal is inequitable to developing countries who are still recovering from the effects of COVID-19, not to mention that many multinationals commit corporate tax abuse by not only avoiding tax payment, but also ignoring environmental, wage, and community development agreements, hindering Africa from fully benefiting from its natural resources."*

We, therefore, call on all developing nations in the Global South to reject the OECD/G20 proposal and instead support the call for a genuinely inclusive, just, and democratic process of international tax reform wherein the interests of developing nations and the African continent are taken into account.

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