Greetings to the Minister of Finance of Cameroon, Mr Louis-Paul Motaze;

The Commissioner for SARS, Mr Edward Kiewetter;

Commissioner Generals and Acting Commissioner Generals;

Africa Initiative members and delegates;

The Global Forum Secretariat representatives;

The Africa Initiative donors and partners and guests;

All protocols observed.

It is an honour for me to be with you in Cape Town at the start of the 13th meeting of the Africa Initiative.

I have had my engagement with Commissioner Kieswetter reflecting on the remarkable work of the Organisation for Economic Cooperation and Development (OECD) – Global Forum on Transparency and Exchange of Information for Tax Purposes and the Africa Initiative to improve the tax transparency landscape for the benefit of developing countries.
Most of us in this room are in the business of domestic resource mobilisation.

I would venture to say that this is one of the most valiant career callings, because it is at the centre of enabling governments to provide infrastructure and basic services, and improve the lives of society at large, but especially the lives of the poor, vulnerable and marginalised.

The African Union Commission estimated that the amount of illicit financial flows from Africa ranged between EUR48 billion and EUR77 billion in their domestic resource mobilisation report of 2019. As Tax Administrations, you are tasked with the imperative responsibility of collecting what is due to governments in a timely and efficient manner.

However, this task is not easy where tax evasion, tax crimes and illicit financial flows continue to spirit away revenues due to the State. A means to counter this scourge is by enabling Tax Administrations with the requisite tools and capabilities – measures such as tax transparency through Exchange of Information (EOI), as facilitated by the Global Forum and its regional partners.

These tools are continuously being improved upon, but this is only effective where the necessary political will is explicit. We see this in the quality of laws that are passed, international agreements that are entered into, and the commitment to build competent and fully resourced Tax Administrations and the development of best international practices in effective Tax Administrations.

Your meeting will look at very important tools in the armour of Tax Administrations – Exchange of Information on Request (EOIR), Automatic Exchange of Information (AEOI), including the importance of collecting beneficial ownership information.

It has been seven years since the Panama Papers were first leaked.
Together with the International Consortium of Investigative Journalists, more than 370 journalists at over a hundred publications around the world simultaneously published the Panama Papers, a leak of more than 11.5 million financial and legal records.

This was ground-breaking in the nature and size of the information placed within the public domain. Various other leaks followed, and I am sure many Tax Administrations would not be opposed to being on the receiving end of similar leaks, especially where they expose nefarious practices and opaque structures.

The timing of the leaks was quite apt, it came after the G20 Leaders agreed to the development of a global model for the AEOI.

The first such exchanges between early adopters of AEOI took place in 2017, after the Papers were leaked, and the number of jurisdictions and the volume of financial account information being shared has increased steadily.

The international tax transparency standards have proven to be an effective tool in curbing tax evasion and other illicit financial flows and generating additional revenue ready to be invested in the development and provision of public services.

During the past eight years, the Africa Initiative has changed the tax transparency landscape in Africa enabling the mobilisation of more than EUR310 million in domestic resources.

However, continuous action is needed to ensure a long-lasting positive impact. Working with its regional partners, the Global Forum should continue to serve African countries and to support the
Africa Initiative in its efforts to build or enhance their capacities to use the EOI standards at their full potential on the continent.

From the South African experience, I can unequivocally say that EOIR and AEOI are essential tools to drive tax compliance. As such, I want to urge members of the Africa Initiative to continue this important work, to collaborate closely, and to ensure that a sustainable legacy is left behind for future generations.

Thank you.

ENDS.