

REVENUE LEGISLATIONS IN SEALING IFFS LOOPEHOLES: THE CASE OF THE PETROLEUM AND THE MINING SECTOR.

RESOLUTIONS

IFFs in the petroleum and mining sector are caused by corruption, tax evasion and tax avoidance. Tax avoidance is illicit because it involves ethical considerations and is associated with secrecy between companies and their tax experts.

We need to make legislation to address corruption related IFF flows such as licensing, beneficial ownership and revenue capture. There should also be legislation to address transfer mispricing and other forms of tax avoidance. We resolve that:

1. Support PACs with the capacity on doing independent assessment of variables in resource revenues and cost auditing
2. Transparency regime about licenses and beneficial ownership and tax payment
3. Partnership/ Collaborations with international community to develop global frameworks for combating IFFs
4. Limit tax exemptions by broadening resource tax regimes to cover taxes such as capital gains tax and thin capitalization rules

5. There must be consistency in all legislations that address illicit financial flows: revenue, tax, petroleum, mining, maritime and money laundering legislations.

6. African countries must work together to develop a continent wide framework on illicit financial flows and to share lessons and expertise among themselves.