



WEST AFRICAN UNION OF TAX INSTITUTES (WAUTI)

COMMUNIQUÉ ISSUED BY THE WEST AFRICAN UNION OF TAX INSTITUTES AT THE END OF HER 3RD ANNUAL TAX CONFERENCE HELD AT ALISA HOTEL, RIDGE, ACCRA, GHANA FROM 26TH - 27TH FEBRUARY 2014

BACKGROUND

The West African Union of Tax Institutes (WAUTI) is the umbrella body for all tax professional bodies in West Africa. The Union was pioneered by the Chartered Institute of Taxation, Ghana, The Chartered Institute of Taxation of Nigeria and other notable Revenue Agencies of some Member States of ECOWAS. The Union was inaugurated in Abuja, Nigeria on Wednesday, 11th May, 2011 by the Immediate Past President of the Economic Community of West African States (ECOWAS), His Excellency James Victor Gbeho.

WAUTI was established with two main objectives:

- To serve as the voice of tax professional bodies in West Africa; and
- To develop and promote taxation as the pivot of economic development as in other developed regions.

In order to foster the achievement of the objectives set out above, WAUTI organizes annual tax conference which is a gathering of seasoned Tax Professionals, Tax Practitioners and Tax Administrators from within and outside West African States.

The theme of the 3rd Annual Tax Conference, “TAX POLICY, INVESTMENT & REGIONAL INTEGRATION: CHALLENGES AND LESSONS”, was chosen against the following background:

- ECOWAS Commission has engaged in regional integration of some trade related matters, which has resulted in the ECOWAS Trade Liberalisation Scheme.
- Tax Policy of each member State is crucial to attraction of Foreign Direct Investment into the region and this should be harmonized to avoid harmful competition amongst member States
- In the absence of harmonization of the tax policies and initiatives for attracting investments by each member State, there may be hindrances to free trade within the region.
- Absence of regional integration on tax matters could also result in a slow down of economic development of the region arising from the activities of Multinational Corporations (MNCs) within the region.

FACILITATORS AND PAPERS PRESENTED

Paper 1: Tax Policy, Investment and ECOWAS Economic Integration

By Mr Alfred Brainmah, Director, Private Sector, ECOWAS Commission

Paper 2: Tax incentives: an outmoded catalyst for regional integration - challenges and benefits

By Her Ladyship, Justice Margaret K. Welbourne, Appeals Court Judge, Ghana

Paper 3: Customs valuation and transfer pricing implications for regional integration

By Mr Taiwo Oyedele, Tax Partner, PriceWaterhouseCoopers, Nigeria

ATTENDANCE

The 3rd Annual Tax Conference of West African Union of Tax Institutes (WAUTI), which commenced on 26th February 2014, was held at Alisa Hotel, Ridge, Accra, Ghana. The two days conference ended on 27th February 2014 and had in attendance a total of 320 participants from WAUTI Member Bodies, Members of Tax Professional Bodies in West Africa, Staff of various Revenue Authorities, Chartered Accountants and Lawyers with interest in tax and other related matters.

COMMUNIQUE

Following the presentation of the above-titled papers and discussion of critical issues arising therefrom, the Conference noted that:

- ✓ Despite the enormous challenges, there is a great opportunity for growth and development within the ECOWAS region.
- ✓ ECOWAS Member States should address critical issues of development before the proposed integration of tax policies. There is need to find a common denominator on issues that affect all the Member States.
- ✓ ECOWAS Commission will be relying on the technical support from WAUTI in order to have a seamless harmonization of Tax Policies, Tax Structures and Tax Laws within the Region.
- ✓ The commitment of ECOWAS Commission to partnering with WAUTI and WATAF will help in the actualization of the tax harmonization and integration objectives.
- ✓ Removal of trade obstacles (including artificial boundaries) will enhance integration by ECOWAS States.
- ✓ Implementation of existing plan for ECOWAS integration should be carried out and monitored.
- ✓ All ECOWAS Member States should be considered as equals – ***“One State, One Vote, Equal Rights”***

- ✓ Focus of ECOWAS Commission should be on things that unite Member States and not the dividing factors.
- ✓ Training of all the people that will be responsible for the implementation of harmonized tax policies is paramount. Collaboration between ECOWAS Commission and WAUTI should help address this.
- ✓ ECOWAS member States should encourage cost beneficial investments rather than incentives that do not have commensurate economic benefits.
- ✓ Grant of tax incentives by member States should be time bound and industry specific. Also, non-uniformity of the tax incentives should be eliminated and there should be proper monitoring to check their abuse.
- ✓ ECOWAS Commission should be able to come up with a uniform Transfer Pricing Code applicable to the region.
- ✓ There is need to bridge the language gap amongst ECOWAS Member States to be able to achieve an effective tax integration and harmonization of ECOWAS Member States
- ✓ ECOWAS Member States should work at addressing the following threats to harmonization and integration of the region, amongst other things:
 - Security challenges
 - Poor state of infrastructural facilities within the sub-region
 - Restrictions to free movement of goods, services and people
 - Distrust of justice system
 - Inefficiency of the regulatory systems
 - Dearth of skilled labour
 - Bureaucracy
 - Corruption
- ✓ WAUTI has to encourage member States which are yet to come under its umbrella, that is, The Gambia, Guinea Bissau, Sierra Leone and Cape Verde to join the Union for the common benefit of the region.
- ✓ WAUTI can develop a model convention for the avoidance of double taxation among Member States to complement the ECOWAS Treaty and support the implementation of Transfer Pricing rules across the region.
- ✓ WAUTI is expected to come up with advisories to ECOWAS Commission on the following:
 - Clearly defined objectives for tax harmonization within ECOWAS region.

- Specific areas of tax to harmonize, considering the ECOWAS Trade Liberalization Scheme (ETLS), Common External Tariff (CET) and ECOWAS Common Investment Management (ECIM) already achieved.
- Level of harmonization required to ensure that the distortion in the ECOWAS market is minimized.
- Extent of tax harmonization and integration within the region that can be achieved through amendment of the tax laws to the extent that free flow of trade among member states is not prevented.
- The instruments to be used to achieve ECOWAS Tax Harmonization Objectives.
- Organization and facilitation of workshop(s) to critically assess the implementation of advice provided to ECOWAS on tax harmonization and integration (WAUTI is to drive this process).

CONCLUSION

It is worthy of note that ***“The near future is Africa! ECOWAS is the nearest door and WAUTI is the key.”***



Mr Mike Kofi Afflu
President, West African Union of Tax Institutes (WAUTI)
Dated this 28th day of March, 2013