

## **WEST AFRICAN UNION OF TAX INSTITUTES (WAUTI)**

### **COMMUNIQUÉ ISSUED BY THE WEST AFRICAN UNION OF TAX INSTITUTES AT THE END OF HER 4<sup>TH</sup> ANNUAL TAX CONFERENCE HELD AT PALAIS DES CONGRES, NIAMEY, NIGER FROM 25<sup>TH</sup> - 26<sup>TH</sup> FEBRUARY 2015**

#### **BACKGROUND**

The West African Union of Tax Institutes (WAUTI) is the umbrella body for all tax professional bodies in West Africa. The Union, which 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 4<sup>th</sup> Annual Tax Conference “ASSESSMENT AND RATIONALIZATION OF TAX EXPENDITURE: HEALTHY MANAGEMENT OF PUBLIC FINANCES” was chosen as a follow up to the outcome of the 3<sup>rd</sup> Annual Tax Conference where it was made clear that:

- proliferation of tax incentives by ECOWAS member States have effect on the tax expenditure pattern of each State.
- grant of tax incentives has resulted in foreign countries being attracted to countries with more favourable incentives without commensurate benefit to the region.
- there is unhealthy tax competition within the region and as a result of which revenue is lost to the developed countries.
- there are no double taxation treaty amongst ECOWAS States to minimize the effect of the tax competition and harmonise the tax expenditure pattern of the community.

## **FACILITATORS AND PAPERS PRESENTED**

### **Paper 1: Assessment and Rationalization of Tax Expenditure: Healthy Management of the Public Finances (*Évaluation et Rationalisation des Dépenses Fiscales: Gestion Saine des Finances Publiques*)**

Presented By: Mr. Habasso Traore (Head of the Internal Tax Department, WAEMU Commission)

Discussant: Chief Mark Anthony Chidolue Dike (President, Chartered Institute of Taxation of Nigeria)

### **Paper 2: Convention for the Avoidance of Double Taxation: Regional Integration versus Tax Expenditure Reduction (*Convention pour Éviter la Double Imposition: Intégration Régionale et Réduction des Dépenses Fiscales*)**

Presented By: Mr. Kinsley Okengwu (Director, Tax Policy, Federal Inland Revenue Service (FIRS), Nigeria) representing Mr. Samuel O. Ogungbesan (then Coordinating Director, Standards and Compliance Group FIRS, Nigeria now Acting Executive Chairman FIRS)

Discussant: Mr. Mohamed Dieye (Council Member, National Organization of Chartered Experts and Appraisers of Senegal, ONEEAS)

### **Paper 3: Maintaining Tax Incentives in a Context of Tax Expenditure Reduction: Which way out? (*Maintien des Incitations Fiscales dans un Contexte de Réduction des Dépenses Fiscales: Quelle issue?*)**

Presented By: Dr. (Mrs.) Teju Somorin (Vice President, Chartered Institute of Taxation of Nigeria)

Discussant: Dr. Guire Brahim (Vice-President, Professional Association of Tax Experts and Consultants (APECF), Burkina Faso)

### **Paper 4: The Tax system, Informal Sector and Competitiveness of the Private Sector (*Fiscalité, Secteur Informel et Compétitivité du Secteur Privé*)**

Presented By: Mr Pierre Betta Daffot (Special Adviser to the Director Internal Revenue Service Côte D'Ivoire)

Discussant: Prince Rasaq 'Kunle Quadri (Past President, West African Union of Tax Institutes (WAUTI))

## ATTENDANCE

The 4<sup>th</sup> Annual Tax Conference of West African Union of Tax Institutes (WAUTI) commenced on 25<sup>th</sup> February 2015 and was held at Palais Des Congres, Niamey, Niger. The two days conference ended on 26<sup>th</sup> February 2015 and had in attendance a total of over 200 delegates 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:

- ✓ Reduction of tax rates and widening tax base has been found to be useful in Europe and implementation of similar policies within ECOWAS will help introduce transparency and address unhealthy tax competition amongst member States.
- ✓ Partnership among ECOWAS States to harmonise and rationalise tax expenditure must be expedited so that there can be better action to fight tax evasion and cross border tax avoidance.
- ✓ Fiscal expenditure should be strictly controlled among ECOWAS member States for better capacity in terms of financing by government and minimize the effect on government budget.
- ✓ ECOWAS and WAEMU should play active role in the control of tax expenditure as it relates to cross border taxation both within and outside the region.
- ✓ Each of ECOWAS member States is to carefully examine provisions for tax incentives before being authorized to avoid violation of certain principles of a good tax system.
- ✓ ECOWAS members are admonished to publish individual tax expenditure reports with the appropriate reference index in order to achieve an effective regional integration and rationalisation programme for tax expenditure reduction.

## CONCLUSION

It is worthy of note that the outcome of the two days conference has made it clear that *“Tax expenditure and tax incentives go together like “hands in gloves”. They both result in loss of government revenue – WAUTI is the solution”*.

  
Dr (Mrs.) Teju Somorin, FCTI

*President, West African Union of Tax Institutes (WAUTI)*