

Assessing the Roles of MPs and CSOs in Combating Illicit Financial Flows (IFFs) in Africa

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What is tax?

Tax is a required contribution made to the nation by citizens or businesses.

Without tax, many parts of society wouldn't function.

Taxes are the most reliable and sustainable source of government revenue.



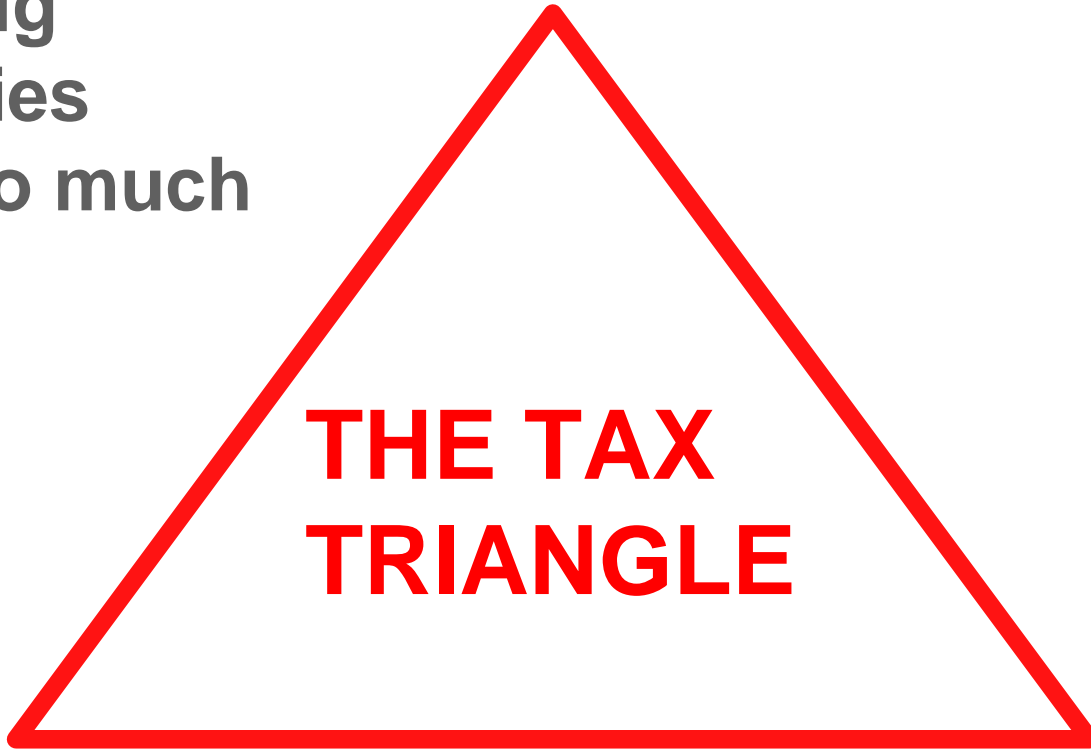
Government budgets don't need to be empty – they are letting big companies avoid too much tax

TAX RAISING

THE TAX TRIANGLE

TAX ALLOCATING

TAX SPENDING



Why is tax powerful?

A fair tax system:

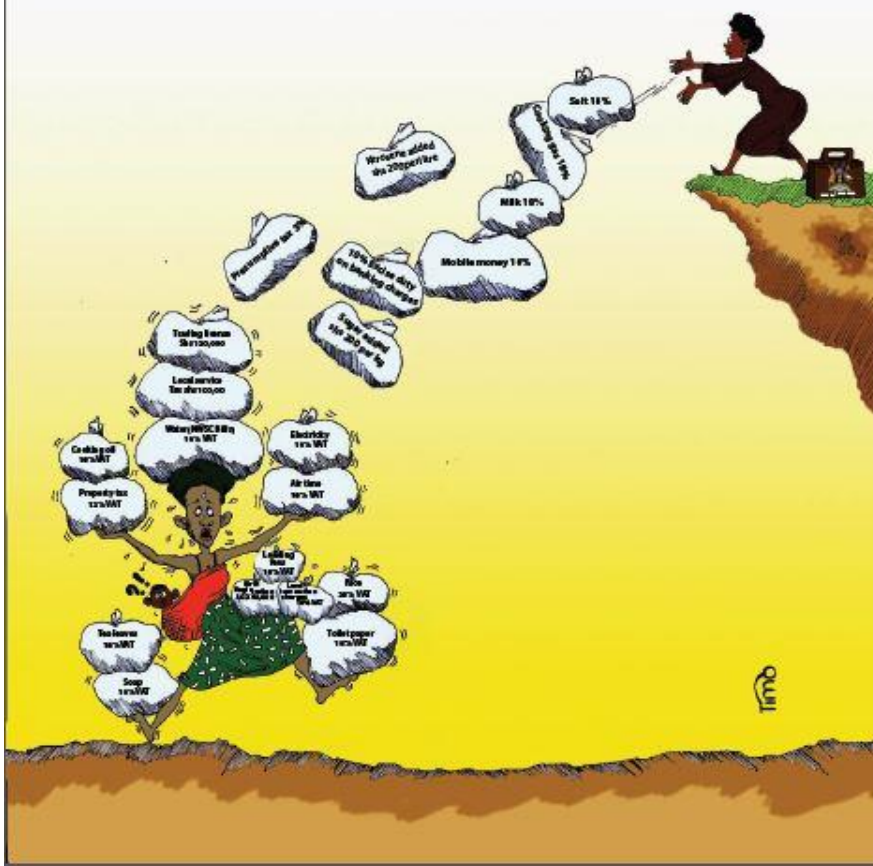


- **Raises Revenue** - pays for public services – Books, teachers, classrooms: high quality, accessible public education costs money.
- **Redistributes** - reduces inequality – the gap between rich and poor within countries and between countries
- **Representation** - increases accountability of state to citizens and reduces dependence on foreign aid and loans.

Unfair tax burden

Need for fair tax raising = those that have most, pay most

THE WEIGHT OF TAX ON AN ORDINARY WOMAN



Demand accountability

Privatisation: When citizens have to pay for private school fees, health care and security because public services are inadequate, this is taxpayers paying twice.

Private companies, who may also be aggressively avoiding tax, benefit financially from lack of adequate public services by then providing private services.

But it is governments who are responsible for fulfilling human rights including by providing essential services,

Privatized services that operate for profit often do not fulfill rights.

International Governance

- The governance of international taxation has mostly been the subject of rather technical discourses by tax lawyers and a few economists.
- The political and economic determinants of international tax cooperation have received little or no attention.
- Lack of research surprising given that taxation is inherently important.
- Taxes are the most direct link between the private and public economy, between market and state.

Key challenges for the International Tax Governance

- How to ensure there is meaningful voice and participation in decision making and rule making in the currently international tax system by developing countries
- How to bring about changes to the international tax system that will assure fair share of tax revenues is accruing to developing countries
- How to get MNCs to change their tax practices and adhere to ethical tax practices
- How to deal with tax competition and bring an end to the race to the bottom

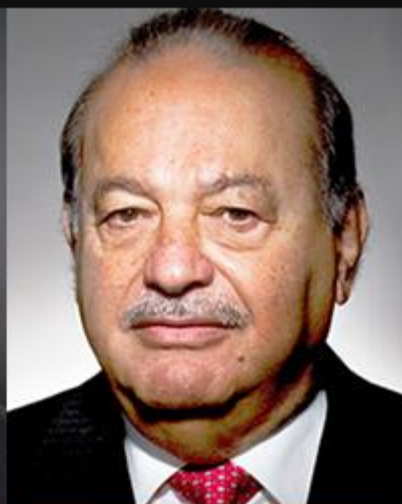
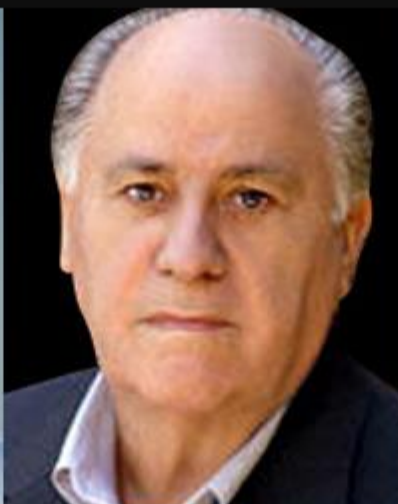
Key Actors in the global tax system

- Multi-national Companies (MNCs)
- Regional and International multilateral Institutions (OECD, IMF, World Bank, WTO)
- Intermediaries and financial advisors (accounting bodies, lawyers, banks/and financial institutions)
- Governments (agencies) and intergovernmental bodies (EU, AU, ATAF, regional bodies)
- Tax havens (Secrecy, jurisdictions/Financial centres)

Growing inequality dangerous for countries and world – why do the rich stay rich and poor stay poor?



**THE
85 RICHEST PEOPLE
OWN THE SAME WEALTH AS THE
3.5 BILLION
POOREST PEOPLE.**



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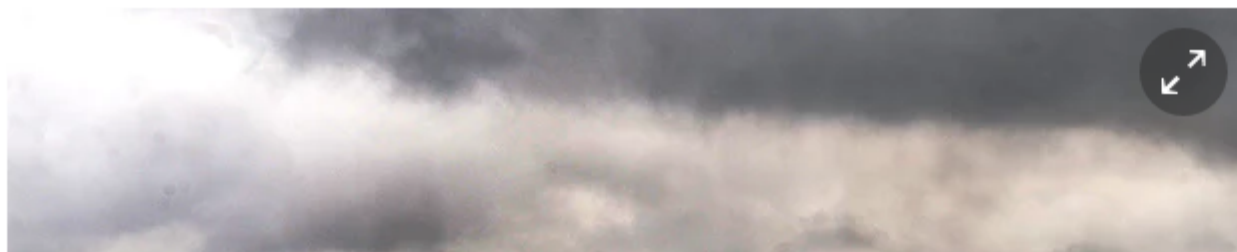
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British banks are go-betweens in global conflict. This can be stopped

High-level corruption and illicit trade in natural resources depend on banks across the EU. Putting financial pressure on them can help save lives

John



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Four richest Indonesian men have more wealth than 100 million poor people

The number of billion-dollar billionaires in the country rose from one in 2002 to 20 in 2016, says Oxfam

by

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KIM JONG-NAM ASSASSINATED

CCTV footage shows Kim Jong-nam's arrival at a Malaysian airport

So what role/ efforts for MPs and CSOs?