

**JOINT STATEMENT OF THE COMMISSIONERS GENERAL AND HEADS OF
DELEGATION OF SOUTH AFRICA, BOTSWANA, LESOTHO, MOZAMBIQUE,
NAMIBIA, SWAZILAND AND ZAMBIA**

**TSHWANE – SOUTH AFRICA
16 JULY 2015**

Cognisant of the large and damaging erosion of the tax base through the illicit financial flows from Africa and the detrimental effects thereof on the developmental goals of the region, the countries present affirm as follows -

We the Commissioners General and Heads of Delegations of the Revenue Authorities of South Africa, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zambia gathered at the Sheraton Hotel in Pretoria, South Africa on 16 July 2015 and deliberated on the following matters:

- a. Illicit financial flows as they impact revenue authorities' statutory mandate in our countries;
- b. Developments in the international tax arena, such as base erosion and profit shifting, Transfer Pricing, trade mispricing etc.;
- c. Cross border tax and customs issues, such as illicit trade, counterfeits, smuggling etc.;
- d. Cooperation on the exchange of information; and
- e. Proposal for the establishment of a Sub-regional forum to enhance cooperation.

Having deliberated on the aforesaid matters and with a view to strengthening the integrity of our respective tax and customs systems:

- We note the negative impact illicit financial flows have on our statutory mandate and agree that we need closer cooperation to deal with this matter as it relates to tax and customs.
- We note the OECD proposal on Country by Country (CbC) reporting and pertinently the G20/OECD BEPS project. We further note that the

threshold for CbC reporting may be too high for multinational enterprises headquartered in the sub-region. We agree to explore the possibility of a lower threshold for these enterprises in our sub-region.

- We agree to share information on aggressive tax and duty schemes employed domestically and sub-regionally in accordance with existing bilateral/multilateral treaty provisions.
- We agree to work together to counter direct and indirect tax fraud, with the initial focus on VAT and Customs duties as well as to deal with the effects of the growing digital economy.
- We note the global developments in tax matters especially the negotiations on norms and standards seeking to make international tax more equitable and conclude that as tax authorities we must adopt the necessary measures to counter-act base erosion and mitigate the negative effects of profit shifting.
- We resolve to work together to root out all forms of corruption.
- We note with concern the challenges posed by harmful practices aimed at circumventing domestic legislation, such as VAT fraud, smuggling, round-tripping of tobacco, undervaluation of textile and clothing and all other related crimes. In this regard and taking full advantage of the legal instruments at our disposal we conclude to work much closer, share information and act jointly to ensure increased compliance. We will make it as easy as possible for those that are willing to comply with the spirit of the law and vow to combine our efforts to root out acts of non-compliance.
- We agree on the need to improve our legal enabling frameworks to support collaborative initiatives.
- We endorse the inter-connectivity programmes currently being piloted in the sub-region and agree that these be broadened. We agree to

establish a regional database to support a risk-based approach through an integrated risk platform.

- We note with satisfaction efforts undertaken globally to encourage greater transparency and the exchange of tax and customs information. We agreed to increase our resources and capabilities for exchange of information units/Competent Authorities in order to enhance our ability to share information faster and more efficiently. We stand ready to actively assist one another in building the necessary capacity, and agree that the establishment of a regional customs academy be explored further.
- We underline the importance of treaty networking and commit to influencing our countries to accede to international treaties such as the African Tax Administration Forum (ATAF) Agreement on Mutual Assistance in Tax Matters (AMATM).
- We agree on the usefulness of this type of exchange of views amongst ourselves as we face similar challenges in our sub-region. We propose that this meeting should be a precursor to formalizing a Commissioners General Forum to discuss tax and customs matters in the region.
- We note the offer by South Africa to host a meeting on Transfer Pricing for technical experts from the region as well as to share with countries its Tax Gap methodology.
- We note the offer by South Africa to share experiences on detector dog training as a means to enhance border protection and improve the detection of undeclared and illicit goods.
- We recognise that strong governance, leadership and oversight is required and to this end we commit to give effect to the resolutions contained herein.

- We request South Africa to convene the next meeting of Commissioners General by the end of October 2015.

Commissioners General and Head of Delegation:

Mr Tom Moyane, Commissioner, South African Revenue Service

Mr Thabo Letjama, Commissioner General, Lesotho Revenue Authority

Mr Dumisane Masilela, Commissioner General, Swaziland Revenue Authority

Mr Berlin Msiska, Commissioner General, Zambia Revenue Authority

Mr Segolo Lekau, Commissioner of Internal Revenue, Botswana Unified Revenue Service

Mr Armindo Ubisse, Director of Financial Information Office, Mozambique Revenue Authority

Mr FJ van der Merwe, Deputy Director: Legal, Ministry of Finance, Namibia