



Notes on Reform of the Global Tax Regime: An African Perspective

*A Reference Paper for African Negotiators*¹²

*The Coalition for Dialogue on Africa (CoDA)
Technical Committee on Resource Mobilization*³

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¹ The paper drew greatly upon the paper: ***“Taxation of Multinationals and the Fight Against Tax Evasion: Is the Global Tax Initiative an Opportunity for the Continent?”*** by Dr Adeyemi Dipeolu (2023)

² The paper also benefited from the background work conducted by Dr Chafik Ben Rouine and Mr Redge Nkosi, both CoDA consultants, on the same issue.

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INTRODUCTION

1. The United Nations (UN) is currently engaged in discussions on reforming the global taxation system. These discussions hold a significant importance for African countries as the continent seeks and argues for a fair and equitable international tax system. The UN General Assembly (UNGA) adopted on 30 December 2022, Resolution 77/244 on "Promotion of inclusive and effective tax cooperation at the United Nations" (A/RES/77/244). The resolution reaffirms UNGA Resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda which stressedu “that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the different needs and capacities of all countries...”
2. The Resolution requests the Secretary General to prepare a report on international tax cooperation to be tabled at the UNGA 78th session this year, “considering, inter alia, avoidance of double taxation model agreements and treaties, tax transparency... as well as outlining potential next steps, such as the establishment of a Member State-led, open-ended ad hoc intergovernmental committee to recommend actions on the options for strengthening the inclusiveness and effectiveness of international tax cooperation.”
3. In response to a call by the UNSG for member States and stakeholders to provide written inputs on the tax cooperation resolution, the Africa Group offered that "there is still no single global inclusive forum for international tax cooperation at the intergovernmental level... [and] it is important that all countries have a seat at the table and participate on a truly equal footing".⁴ Furthermore, the African Union notes that "reforming international tax cooperation requires a relook at agenda setting, transparent process, governance, and inclusivity on the basis of equal contribution."
4. African countries have recognized that cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks are necessary for successful transition to their structural transformation.

⁴ <https://www.un.org/development/desa/financing/inputs> As of May 15, 2023

5. The Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development (FFD) of July 2015 establishes a global framework for financing sustainable development and introduces measures to revamp global finance practices. Furthermore, both Agenda 2063 and the SDGs underline the centrality of domestic resource mobilization to implement Africa’s priorities, and the need to mobilize resources from all funding mechanisms. In fact, the AU’s Agenda 2063 calls on member States “to take full responsibility for financing [their] own development.”
6. However, insufficient financial accountability, transparency and integrity may be eroding the ability of member States to generate sufficient resources to finance their development needs, and this directly undermines their efforts to successfully achieve the objectives of Agenda 2063 and the Sustainable Development Goals.
7. Moreover, international cooperation on taxation has been characterized by inequalities in taxing rights and revenue losses due to tax evasion, tax avoidance and the increase of Illicit Financial Flows (IFFs), and this in a context where international aid has stagnated or declined, increasing the need for African countries to develop enhanced domestic resource mobilization strategies. Africa cannot continue to rely on foreign assistance (e.g. ODA) to achieve structural transformation and sustainable development. The continent needs to be in the driver’s seat in mobilizing the resources necessary for financing its own development needs.
8. A draft copy of the SG report was circulated on August 8, 2023. The report seems to recognize that “the international system ... must include policy options and arrangements that can be effectively implemented by all jurisdictions;” and recognizes that inclusiveness and effectiveness in international tax cooperation must also be evaluated based on the following criteria: participation, agenda-setting, decision-making, and implementation. Further, the reports recognizes that “inclusive and effective international tax cooperation requires that all countries are able to effectively participate in developing the rules that affect them, by right and without pre-conditions.”

9. It is imperative for the African continent that global negotiations on tax matters should take place in a forum other than OECD, such as United Nations (UN) for example, where it can have a stronger voice and member States can organize better for a more inclusive and effective participation.
10. The purpose of this technical briefing paper therefore is to provide an analysis of the choices faced by African negotiators during the on-going UN tax negotiations. There is a need for African voice and representation in the global tax negotiations forums to be strengthened to ensure that the continent's concerns, needs, and specificities are effectively addressed. Furthermore, it becomes imperative for African representatives in these processes should acquire and strengthen the capacities and tools necessary to help them to make the choices necessary to enhance the continent's position in these negotiations.
11. The paper begins by exploring features of the current global taxation system that are fundamentally antithetical to the needs of African countries. After a brief discussion on the so-called OECD BEPS "Inclusive Framework" solution and the UN FACTI recommendations, the paper will offer a set of recommendations to be considered by African negotiators during the UN global tax reform negotiations to completed by the end of 2023.

THE CURRENT INTERNATIONAL TAX FRAMEWORK AND AFRICA'S URGENT NEED FOR DOMESTIC RESOURCE MOBILIZATION

12. The current global tax regime is a complex network of more than 3,000 bilateral "double-taxation treaties" which define the rules of how and where the taxation on active or passive income can take place (IMF 2021). Based on a 1920s "compromise" in which active business income was to be taxed in the source country (where the production activity has taken place), whereas so-called passive income (including dividends, royalties, and interest) was to be taxed in the residence country of the ultimate profit owner, double-taxation treaties serve to allocate taxing rights between source and residence countries.

13. In the current global tax regime, net profit arising from “active” income is allocated based on the “arm’s length principle”, where individual transactions between related entities can be priced as if they were taking place among unrelated entities in a competitive market. This is the basis for transfer pricing and profit-shifting, which are factors that allow multinational corporations to continue to engage in tax avoidance behaviors.
14. Permanent Establishment (PE) is another building block of the current international tax system. It arises “when a business that is not legally resident has a fixed place of business in the source country, which can give rise to tax liabilities.” A company can claim Permanent Establishment when it has “an enduring presence in a country such that the government of that country has taxing rights over the profits made there.” (Dipeolu, 2023).
15. Continuing to allocate taxing rights based on the principle of “Permanent Establishment” may have become anachronistic however in a digitalized and globalized economy. Large digital MNCs can be incorporated and/or managed from anywhere and may indeed have the ability to avoid paying taxes in a country in which they conduct long-term digital-based business, even as they may be extracting substantial profit from customers based in that country.
16. Given its complexities, and the continuing non-inclusive approach often adopted regarding any reforms pertaining to it, the current global tax system fails to adequately reflect, or address African’s countries’ needs. African countries are at a disadvantage in the current international tax framework, and have suffered revenue losses resulting from tax concessions and tax incentives, as well as corporations’ ingenious ability to engage in a host of tax evasion and tax avoidance behaviors generally known as Base Erosion and Profit Shifting (BEPS). This involves corporations using sophisticated tax planning strategies to shift profits from one country with higher-tax legislations to

another with lower-tax laws, eroding thereby the tax-base of the so-called higher-tax jurisdiction.

17. The rise of corporate tax havens has also been a major factor in facilitating large corporations' ability to transfer profit to avoid taxation from the host country. As a result of tax competition to attract corporate investment, every region has seen its corporate tax rates steadily decline over the last 40 years, notably Africa as shown in Figure 1 (Tax Foundation). Consequently, it is estimated that the tax revenue losses for the continent amount to USD50-100 billion annually.

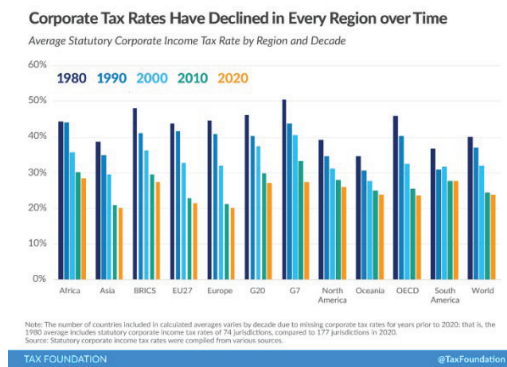


Figure 1: Trends in Corporate Tax Revenue per Region

18. Yet, the continent continues to face staggering development challenges requiring ever growing financial needs, with estimates showing that incremental financial needs in achieving the SDGs amount to \$269 billion–\$279 billion per year in African low-income countries, and \$345 billion–\$359 billion per year in African middle-income countries, for a total gap of \$614 billion–\$638 billion per year (UNCTAD, 2016).
19. Similarly, the African Development Bank (AfDB, 2022) has estimated that Africa faces a post-COVID financing gap of over \$432 billion, with 45.1 million people that could be at risk of extreme poverty on the continent with the combined effect of COVID and the supply chains disruptions and creeping inflation partly attributable to the Russian-Ukraine war.

20. During the 2000-2015 period, net IFF between Africa and the rest of the world averaged USD73 billion per year from trade re-invoicing alone (ECA). Global Financial Integrity estimate that the amount of financial flows that left Africa by way of other channels averaged USD 26.7 billion per year over the period 2005-2014 (Spanjers and Salomon, 2017). Taken together, this amounts to \$100 billion annually, or 4 per cent of the continent's gross domestic product. Boyce and Ndikumana (2012) estimated that the capital stock of Africa would have expanded by more than 60 per cent without these flows, and GDP per capita would be up to 15 per cent higher.
21. Furthermore, the High-Level Panel in his report on IFF stated that given the well-known dependence of several African countries on significant amounts of ODA, the loss of resources through IFFs can only serve to deepen reliance on donors. Moreover, Cobham (2014) states that IFFs can generate environmental degradation, security concerns and conflicts over resources in Africa. In the same way as corruption, IFF also threaten and weaken the public institutions and the rule of law. IFF from African countries have also been shown to discourage value addition to the continent's natural resources. This is particularly harmful to the continent given the important role that value addition plays in providing sustained, inclusive growth (ECA, 2017a; ECA and African Union Commission, 2014).
22. Africa is also faced with a debt crisis, having accumulated a total debt burden of \$547 billion even prior to the COVID pandemic. According to the Brookings Institute's estimates, as of 2017, 19 African countries have exceeded the 60 percent debt-to-GDP threshold set by the African Monetary Co-operation Program (AMCP) for developing economies, while 24 countries have surpassed the 55 percent debt-to-GDP ratio suggested by the International Monetary Fund. African countries devoted 10-14% of their exports revenue on average to service the debt alone during the 2015-18 period. According to an analysis by ONE.org, part of the reason has to do with high cost of borrowing faced by Africa, with interest rates between 5%-16% on 10-year Government bonds, compared to near zero or negative for Europe and America.

23. Furthermore, African countries have had to face severe budgetary pressures due to additional COVID-19 spending and have been forced to take on more loans as alternative forms of financing beyond ODA. And this, along with slowdown in economic activity and lockdowns, have led to worsening debt situation in Africa, severely restricting the continent's fiscal space. The implication is that debt management strategies, coupled with stronger fiscal policies will be necessary ingredients in the drive to further mobilize the resources that will be necessary for financing Africa's development priorities.

WHAT ARE AFRICAN COUNTRIES' INTERESTS IN THE GLOBAL TAXATION REFORM?

24. According to the African Union (AU) "reforming international tax cooperation requires a relook at agenda setting, transparent process, governance, and inclusivity on the basis of equal contribution." This is true from a process perspective. However, we should further note that from a substantive point of view, the continent's primary concern in the global tax system reform has to do with increasing revenues available for government expenditure and investment in domestic economies.

25. The continent also remains concerned about base erosion and profit shifting practices which are used for aggressive tax avoidance by multinational corporations to the detriment of its revenue mobilization efforts. Africa is also concerned about protection of sovereign taxing rights. Any agreement or reform that reduces the taxing rights of African countries is of concern.

26. Africa must continue to insist that taxation should be enabled where economic activity takes place. This is especially in response to taxing of the digital economy. Indeed, any tax system that evolves from these negotiations should not reduce the policy space for African countries.

27. In terms of process, the continent would also want to see that any procedure for elaborating and agreeing on a new global tax regime should be inclusive, especially as relates to the legitimacy of the process and ability to participate in agenda-setting.

28. Further, African countries should be able to participate in the reform of the global tax system without preconditions. In other words, they should not be compelled to comply with pre-conditions drawn up in their absence which do not take their peculiar interests into account.
29. All countries not being the same, African countries are also interested in seeing emerged a global tax regime that allows for different levels of capacity, including capacity to negotiate or implement complex tax agreements. For the continent, the underlying principle should borrow from the climate change negotiations which recognize common but differentiated responsibilities.
30. These are some of the measures by which African negotiators should gage whether any agreement reached would advance the cause of the continent as outlined above. They must weigh the costs and benefits to the continent of maintaining adherence to the OECD 2-pillar solution or fully participating in a multilateral process such as the UN negotiations based on the principles of inclusivity, participation, legitimacy, fairness, and international cooperation.

MODELS OF GLOBAL TAXATION FRAMEWORK REFORM

The OECD 2-Pillar Solution and its Projected Impact on African Economies

31. In recent years, the international community has engaged in important discussions to find solutions to some of the critical issues plaguing the current international taxation framework. The OECD 2-pillar solution emanating from the Inclusive Framework (IF) process is a prominent example.
32. OECD's "Inclusive Framework" is built on two key pillars. The general components of each pillar are summarized below:
 - a. **Pillar 1** is aimed at realigning the reporting of MNC profits with value creation. It has three core elements. The **first** partly reallocates taxing rights i.e., the right to tax the

largest and most profitable MNCs numbering about 100 towards “market” or “destination” countries where they sell goods and services. The **second** simplifies the transfer pricing of distribution activities. The **last** element introduces mechanisms to tackle tax disputes. As is clear, the first pillar addresses the broader challenge of the digitalised economy and thus introduces new taxing rights over foreign-based corporations.

b. Pillar 2 establishes a global minimum effective tax rate of 15% on the profits of MNCs. It applies to multinational groups with revenues of €750m or more. Pillar 2 rules follow a “common approach”, which means that the Inclusive Framework members adopt the rules on a voluntary basis. As with Pillar 1, Pillar 2 has three elements, including an Income Inclusion Rule (IRR), which imposes a minimum tax rate on MNC’s overseas activities. The OECD published model rules for Pillar 2 in March 2022, along with technical commentary and concrete examples of how to apply the Global Anti-Base Erosion (GloBE) model rules.

Key Concerns in the OECD 2-Pillar Solution for African Countries and the Global South Generally

23. The two-pillar solution offers minimal benefits to developing countries while developed countries receive the bulk of the gains. Pillar 1 only targets a small number of companies and excludes most MNEs operating in Africa. Pillar 2 and its minimum rate of 15% is too low for developing countries regarding their current corporate tax rates of between 25% and 35%. The current structure of Pillar 2 will give priority to developed countries in collecting undertaxed income. Hence, there is little gain for developing countries in the two-pillar solution and there is widespread resentment against the decisions taken at the OECD, which has publicly acknowledged that it is dedicated to promoting the interests of its members and has acted again as a club of rich countries. Developing countries, particularly African countries, must find alternative ways to increase tax revenue from activities taking place in their jurisdictions (Outcomes and Recommendations of the First African Fiscal Policy Forum, CoDA-South Center, December 2021).

24. Representation and participation of African countries was limited, with only Nigeria and South Africa actively participating at the technical level. African countries did not participate at the political level. The demands and proposals of African countries and other developing countries have been largely ignored in the negotiations, resulting in countries such as Kenya, Nigeria, Pakistan, and Sri Lanka not endorsing the agreement.
25. Developing countries that are members of the IF agreed to give up unilateral measures on all companies, not just those within the scope of Pillar 1, although this is a political and not a legal agreement (Outcomes and Recommendations of the First African Fiscal Policy Forum, CoDA-South Center, December 2021).
26. Specific challenges of the Two-Pillar Solution include:
- a. *Lack of Inclusivity.* Only 23 African countries were part of the IF at the time the two-pillar solution was arrived at. This was not a coincidence or as a result of willful ignorance. Rather it reflects the costs of participation including membership fees and travel costs. It also reflects in many ways the knowledge that it is not enough to be present because it is possible to be excluded from genuine participation because of power dynamics. Such exclusion became notorious in the ‘green room ’arrangements that were a feature of WTO negotiations. By contrast because of the set-up of the United Nations, countries with less technical capacities can overcome their inadequacies by working within the African Group or the Group of 77.
 - b. *Inadequate Revenue.* The two-pillar solution certainly shows the potential for increased tax revenues globally. Pillar 1 envisages a re-allocation of \$125bn annually while \$150bn in annual revenues is expected from Pillar 2 for all participants. It is not at all evident that African countries will benefit substantially from such revenues due to unduly high thresholds. Several studies on the amounts expected from the two pillars show that the thresholds of revenues for companies that would come into consideration may be too high. For instance, a

CoDA/South Centre study shows that an enhanced digital services tax based on Article 12B of the UN Model Tax Treaty would generate more revenue for South Centre and African Union member countries than they would get under Amount A of Pillar 1. On Pillar 2 work undertaken by Tax Justice Network has estimated that only 3% of the gains from this pillar will go to low-income countries whilst 60% of the new revenues will go to developed economies.

- c. *Abolition of Digital Service Taxes.* The two-pillar solution calls for the abolition of digital services taxes where they already exist and commitment to not introducing them in the future. Since it would amount to double taxation to subject revenues that are subject to Amount A to a digital services tax this requirement seems alright on the surface. However, if as various studies have shown, the amount expected under Amount A is not significantly larger than what is already obtained under digital service taxes or significant economic presence laws, then it is not clear if African countries should sign up to these provisions. This matter is so contentious that the start date for the implementation of this provision in the OECD has been pushed back from end 2023 to end 2024 at the IF meeting in July 2023. There is the concern by some African countries that the digital service companies that matter most in their tax jurisdictions fall out of scope of Pillar 1. The Kenyan tax authorities have stated for instance that only 11 companies would be covered under the two pillar solution whereas there are up to 89 companies currently paying their digital services tax.
- d. *Tax Competition.* One of the most touted aspects of the IF deal is that it will help to prevent a race to the bottom especially with regard to Pillar 2 which in effect sets a floor for tax competition. There is some merit in this view when the very low taxes in tax havens and financial secrecy jurisdictions are taken into consideration. There are two problems with this perspective. The first is that the level of 15% may have been set too low in comparison to existing levels of taxation around the world. As mentioned earlier, the unweighted global average corporate income tax rate is about 23.5% and is in fact about 27.5% in Africa. The implication of setting the new global minimum rate at around 15% is that it

might in fact lead to downward convergence of global tax rates to this level. This would have huge implications for African countries who rely more on corporate income tax for revenues. Equally important is that the provisions of Pillar 2 may undermine industrial policy objectives in African countries especially the granting of incentives for pioneer industries and the establishment of Special Economic Zones.

- e. *Mandatory and Binding Arbitration.* One of the provisions of the IF two pillar solution that has generated a lot of anxiety amongst the countries that did not sign is that of mandatory and binding arbitration. A country like the United States which is home to most of the multinational corporations in scope feels that this provision is necessary for tax certainty in order to protect MNCs from disputes that will undoubtedly arise from the allocation of profits between jurisdictions. The concerns of those that did not sign up to the deal regarding mandatory and binding arbitration can be viewed from two perspectives. One is that it may put sovereign tax matters in under the control of international arbitrators which may be unconstitutional in their countries and also in the control of arbiters who cannot be trusted to be impartial. There is also the issue of costs. Arbitration is not only costly and lengthy but will also stretch the legal and tax administration capacities of African countries.
- f. *Administrative Capacities.* One key concern of African countries about the global corporate tax deal relates to capacities to use its provisions. For instance, given information asymmetry it is quite possible for African countries not to know how best to prevent revenues derived in them to be affected by the 'Subject to Tax Rule' (STTR). In other words, due to limited capacity, African tax administrators may not know if the effective tax declared by an MNC is less than the 15% required under GloBE. This means a jurisdiction with stronger tax capacities could claim such resources. Indeed, the example of the dispute between the UK tax authorities and Google as a result of which the latter paid £130m in back taxes is proof of the importance of having such capacities.

The UN Model of Global Tax Reform: The UN FACTI Report and Recommendations

27. For African countries the UN global tax reform negotiations process represents a preferred alternative to the OECD process. Contrary to the OECD setting, African member States stand a better chance of presenting a stronger voice, and a more realistic ability to influence the agenda setting in a UN process.
28. The UN High-Level Panel for International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (UN FACTI) published its report in February 2021. The report makes 14 recommendations (many of which were themselves composed of sub-recommendations). The following recommendations are of particular relevance to this briefing paper:
- a. **Recommendation 2: Legitimacy:** *International tax norms, particularly tax-transparency standards, should be established through an open and inclusive legal instrument with universal participation; to that end, the international community should initiate a process for a UN Tax Convention.*
 - b. **Recommendation 3: Transparency: 3B:** *Improve tax transparency by having all private multinational entities publish accounting and financial information on a country-by-country basis.*
 - c. **Recommendation 4: Fairness: 4A:** *Taxpayers, especially multinational corporations, should pay their fair share of taxes. The UN Tax Convention should provide for effective capital gains taxation. Taxation must be equitably applied on services delivered digitally. This requires taxing multinational corporations based on group global profit.*
 - d. **Recommendation 4: Fairness: 4B:** *Create fairer rules and stronger incentives to combat tax competition, tax avoidance and tax evasion, starting with an agreement on a global minimum corporate tax.*

- e. **Recommendation 4: Fairness: 4C:** *Create an impartial and fair mechanism to resolve international tax disputes, under the UN Tax Convention.*
- f. **Recommendation 8: International Cooperation: 8A:** *End information sharing asymmetries in relation to information shared for tax purposes, so that all countries can receive information.*
- g. **Recommendation 10: Capacity Building: 10A:** *Create an International Compact on Implementing Financial Integrity for Sustainable Development to coordinate capacity building. Extend existing capacity building that tackles tax abuse, ...*
- h. **Recommendation 11: Data: 11A:** *Establish a Centre for Monitoring Taxing Rights to collect and disseminate national aggregate and detailed data about taxation and tax cooperation on a global basis.*
- i. **Recommendation 14: Global Governance: 14B:** *Building up on existing structures, create an inclusive intergovernmental body on tax matters under the United Nations*

29. With its focus on important normative notions such as inclusivity, participation, legitimacy, fairness, and international cooperation, the UN FACTI recommendations can well serve as a starting point for African negotiators.

RECOMMENDATIONS AND OPTIONS FOR AFRICAN NEGOTIATORS.

30. Given the preceding discussion in this brief, and in the context of the lack of inclusiveness and transparency of the OECD, African countries must retool and further built their capacities to participate in the UN negotiations. Additionally, African countries should continue to make their voices heard in a structured and organized manner, including in partnership with groups such as the G-77. The following are specific principles and recommendations formulated towards African negotiators and their respective member States to be considered as they prepare to finalize negotiations on reforming the international tax architecture:

31. Intersectionality between tax cooperation, domestic resource mobilization and the failures of the international community to deliver on their promises

- African negotiators may draw the link between the need for global taxation reform and the failure of the international community to fulfill its obligations towards Africa and the Global South. From a global morality perspective, the international community should stop making commitments that they do not intend to keep. International cooperation cannot be built on dishonesty. Therefore, it is in the interest of the continent that the intersectionality between these issues should remain front and center during the negotiations.

32. Importance of widening the fiscal space for African countries through SDR reform

- In addressing the urgent need for African countries to boost their resource mobilization and widen their fiscal space, African negotiators should consider addressing the necessity of reforming the SDR system to help address countries' internal liquidity constraints. SDR reform is necessary to make up for the international community's failure to meet their commitments towards Africa and the Global South.
- One proposal in this regard is to exhort high-income countries to explore ways for voluntary post-allocation channeling of SDRs to support members' recovery efforts, and strongly urge these countries to take necessary steps, in a spirit of international cooperation and partnership, to channel their unused SDRs to significantly augment African countries' access to low-cost finance. Similarly, unused SDRs from high-income countries should also be directed to eligible multilateral development institutions (MDIs), including the IMF, World Bank, and African Development Bank to enhance their lending facilities and intermediation capabilities, thereby improving access to low-cost financing for African countries.

33. Addressing the debt sustainability issue faced by African countries

- The debt burden is restricting countries' fiscal space with many African countries at the risk of debt distress. This calls for urgent reform of the international financial architecture to ensure increased representation and stronger presence of the African continent in the international financial institutions, particularly with regards to the governing bodies, equity in the voting rights, and agenda-setting.

34. Revising the Permanent Establishment clause for Africa's benefit

- With the ubiquitous nature of digital technology, establishing a large physical presence is no longer a requirement for production activity to take place. Indeed, digital companies may carry out significant economic activities in a country but with little physical presence (scale without mass). At the same time, many digital companies can generate value from selling data derived originally from users of their services in a country where they are not required to pay tax. For example, providers of search engines do not pay tax on the data gathered from users even though they generate value by selling such information to advertisers⁵. For these reasons, continuing to allocate taxing rights based on the principle of "Permanent Establishment" has become anachronistic, resulting in substantial loss of revenue for Africa. Article 12B remains an important negotiation item that can benefit African countries in this regard.

35. Improving Global Tax Governance and Coordination

- The global tax governance structure should not be the remit of one regional organization. It should instead emanate from the negotiations of all parties in an inclusive and transparent manner and reflecting the needs and concerns of all concerned. The issue of the global tax governance should be tabled and addressed during the negotiation process.

⁵ IMF 2019, Corporate Taxation in the Global Economy

African countries must seek effective representation and voice in any global tax governance reform that may be conducted. In this regards, African negotiators may want to consider arguing for establishing a regional tax policy forum at which tax policy makers can consult and learn from one another about international tax issues, and an intergovernmental body on tax matters as recommended by the G-77 and various UN bodies.

References and Additional Resources

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