

Monthly Update #25 - 3 Mar 2023 (Issue 3)

NEWS



Sign and ratify DTA by the end of 2023, EAC tells member states

The East African Community (EAC) has set this year as the deadline for partner states to sign and ratify a regional agreement on double taxation, seeking to reduce double charges on exports and imports. Double taxation agreements (DTAs) are part of plans to harmonise taxes, a major barrier to cross-border investment flows. Where DTAs do not exist, investment income sourced in one country is often taxed by the country of residence and the home country of the investor. [Read more here](#). In a [study published last year](#), EATGN explored key issues arising from the ratification process, why the EAC member states ought to ratify the agreement and recommended ideas that can to be adopted make the model DTA an effective tool for tax harmonization.

EVENTS

Scaling Up Tax Justice (SCUT) Phase III Kick-off Meeting

Funded by the Norwegian Government The Scaling up Tax Justice (SCUT) Project is a Tax Justice Network Africa (TJNA) initiative to improve financing for national development priorities and the sustainable development goals (SDGs) on the African Continent. Following the success of SCUT I and SCUT II project in Tunisia, Senegal, Cameroon and Kenya, the project aims to replicate them in Uganda, Tanzania, Mozambique, Ghana and Liberia through partnerships. The SCUT project will strengthen the crucial role civil society, the media and parliaments play as watchdogs of the 'return on investment of taxation' for citizens as part of their social contract with the state.



PUBLICATIONS



Corruption Perceptions Index 2022

The 2022 Corruption Perceptions Index (CPI) shows that most countries are failing to stop corruption. The CPI ranks 180 countries and territories around the world by their perceived levels of public sector corruption, scoring on a scale of 0 (highly corrupt) to 100 (very clean). The global average remains unchanged for over a decade at just 43 out of 100. More than two-thirds of countries score below 50, while 26 countries have fallen to their lowest scores yet. Despite concerted efforts and hard-won gains by some, 155 countries have made no significant progress against corruption or have declined since 2012. [Access your copy here](#)

BLOG

Taxes on digital financial services in Africa – An unlevel playing field

Taxing transactions made via digital financial services differently from those made via traditional banking services can have unintended consequences. In recent years, several countries in Africa have introduced sector-specific taxes on transactions made via digital financial services (DFS). With these taxes, governments aim to increase domestic tax revenues and help plug budget deficits. Some countries have specific taxes based on the value or amount of the DFS transaction. Levelling the playing field requires redesigning the tax considering broader market conditions. [Read more](#)



TAX GLOSSARY



Tax consensus

This is a set of tax policies promoted by the International Monetary Fund in view of macroeconomic stability, but disregarding equity concerns. These policies include in particular: reductions in the rates of corporate and other income taxes; reduction of trade taxes in support of trade and investment liberalization; expansion of indirect taxation such as value added tax; simplification of the tax code; and promoting significant structural overhaul of tax administrations.

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