

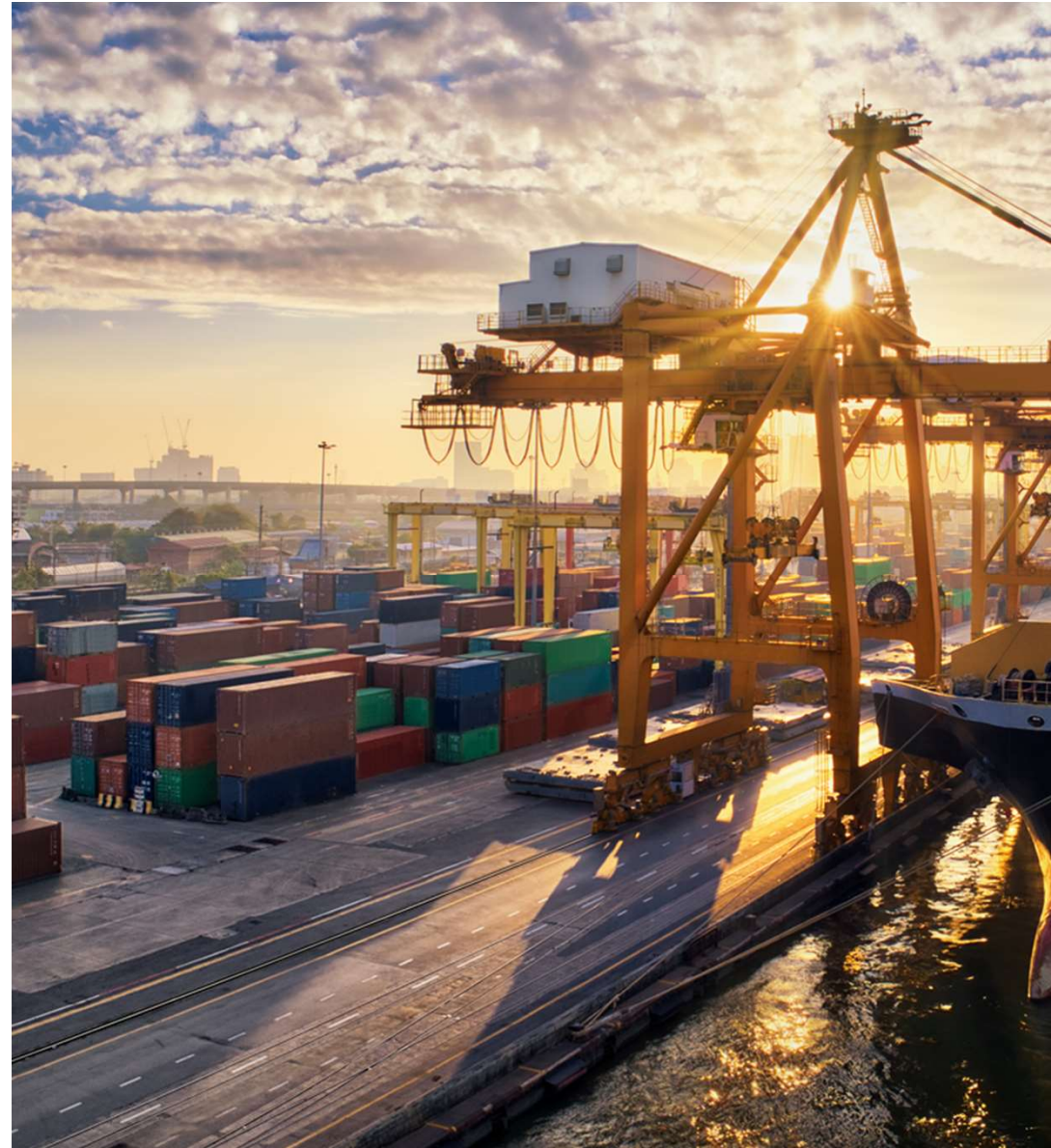


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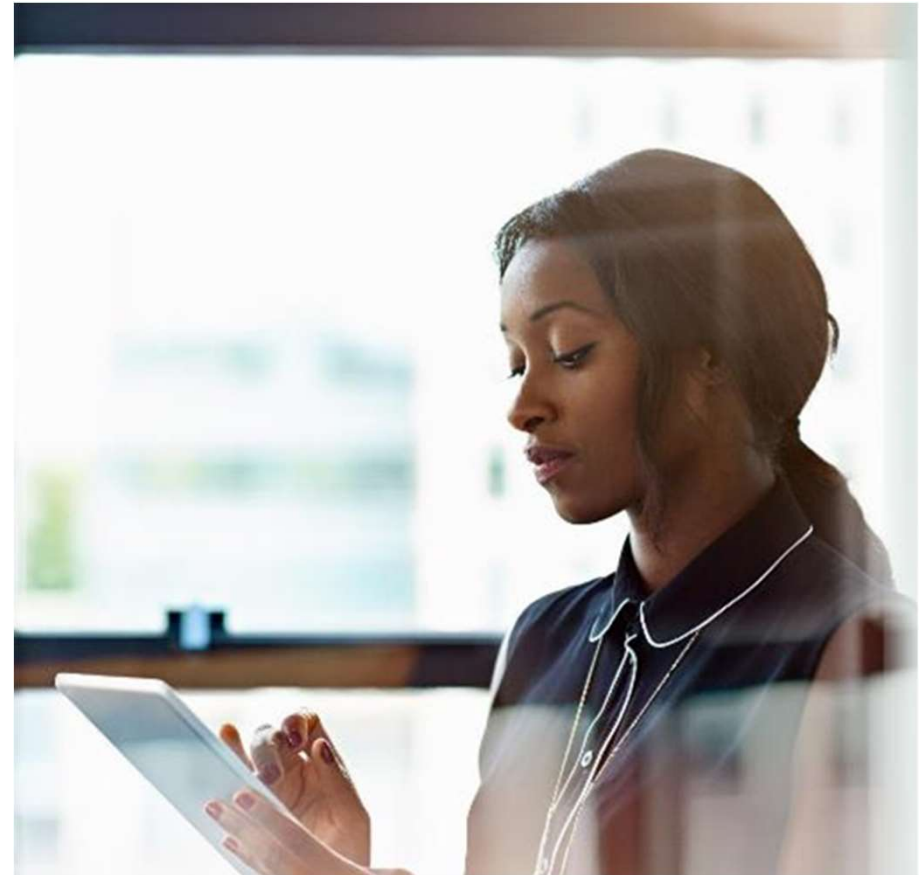
Fiscal Policy Partner and Africa Tax
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Discussant

Review of report on illicit financial flows in relation to tax



1. **Saying it as it is** – Illicit financial flows represent accumulation of financial resources prohibited by law, rules or customs. These include tax evasion, proceeds of corruption, price/contract inflation etc
2. **IFF makes legitimate businesses uncompetitive and puts honest people at a disadvantage** – lack of consequences for bad behaviours is essentially an incentive to do more.
3. **To tackle IFF, we need to start from the basics (data, intelligence, follow the money)** – then build up. We need coordinated, complementary strategies for shadow / black economy, price inflation, corruption and other crimes etc.



Connecting the dots

1. **Tackling IFF will expand Nigeria's tax base and improve revenue generation** – consequently reduce budget deficits, debt accumulation and debt service cost.
2. **Beyond revenue generation** – if successfully implemented, measures to curb IFF will also help to address funding of terrorism, political instability, other forms of insecurity and crimes.
3. **Develop a multi-agency, coordinated and complementary approach** - Institutionalise measures to ensure sustainability, build capacity, leverage extant laws and enact new laws where necessary. An effective framework should be proactive to prevent rather than being reactive to detect IFFs.



Time to act is now – suggested measures



1		Data and intelligence e.g. NIN
2		Whistle blowing framework & enact NOCLAR into law
3		Unexplained Wealth Order
4		Leverage exchange of information (domestic & international)
5		Beneficial ownership register (CAMA 2020)
6		Redenominate naira and track fx purchases
7		Strengthen capacity for transfer pricing
8		Enhance anti money laundering framework and customers due diligence e.g. cryptocurrency
9		Reform assets declaration
10		Build public trust and capacity to regulate



Nigeria must develop its own “fit-for-purpose” strategy to tackle IFF...

“Having heard all of this you may choose to look the other way but you can never again say you did not know.”



William Wilberforce

The
Economist

Espresso



Thank you

