



SCUT
SCALING UP
TAX JUSTICE

GOVERNANÇA ECONÓMICA

www.cddmoz.org

Thursday, November 23, 2023 | Year V, NO. 31 | Director: Prof. Adriano Nuvunga | English

Mozambique attends the 26th APNIFT Continental Meeting

- After the successful launch in mid-October, the National Working Group of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFT) attended, between the 26th and 28th of October, in Nairobi, the 26th Continental Meeting of the movement that leads the fight against illicit financial flows (IFFs) and tax injustices in Africa.



26th Continental Meeting of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFT)

Under the banner “Africa’s leadership in the fight against illicit financial flows”, the two-day event brought together parliamentarians, policymakers, and other relevant actors from more than 40 countries, creating a unique platform for dialogue and sharing of experiences to strengthen advocacy efforts and promoting legis-

lative reforms to curb IFFs and promote transparent and accountable financial systems in Africa.

Mozambique was represented at the highest level by a delegation led by the president of the APNIFT Mozambique caucus, António Niquice, president of the Plan and Budget Committee in the Assembly of the Republic. While for other countries it was just an-



“

Estimates indicate that the country annually loses up to 144.3 million US dollars in taxes alone through international tax abuses in the form of profit transfers to tax havens by multinationals and wealthy individuals who hide undeclared assets and income abroad, around 5 % of tax revenue collected

”

other meeting of the more than two dozen that the Network has been promoting since its establishment in 2017, for Mozambique, the event was loaded with

special symbolism due to the fact that it was the first in which the country participates represented by the recently constituted National Caucus.



26th Continental Meeting of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT)

Participation in the continental meeting thus represented the National Group's first formal engagement with the remaining members of the Network. The Group was formed in mid-October, in Maputo, at a High-Level Workshop organized

by the Center for Democracy and Human Rights (CDD), in partnership with the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) and the Tax Justice Network Africa (TJNA).



African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) Mozambique Caucus Launch

In accordance with the rules established by the Network for this purpose, the APNIFT National Working Group in Mozambique was officially launched with the subscription of 11 members of the Assembly of the Republic, coming from different benches and committees of the legislative body. As a result of the members' deliberations, it was determined that the Plan and Budget Committee (Second Committee) would preside over the Group, with the support of the Constitutional Affairs, Human Rights and Legality Committee (First Committee), in the vice-presidency.

With the launch of the group, Mozambique demonstrated its commitment to the cause and joined an increasingly significant regional movement in the fight against a global problem with serious economic, social and political consequences, especially for the poorest populations living in African countries: the IFFs.¹ In fact, as recognized by Hon. Niquice at the launch of the Group, these are matters that, nowadays, are of fundamental interest to the country, especially considering developments in the extractive industry.



António Niquice, Chairman of the Planning and Budget Committee and of the APNIFT-Mozambique Caucus

“We believe that this engagement will allow the exchange of experiences, good practices and common learning across the region so that the Mozambican parliament is properly qualified and trained to mitigate the harmful effects of tax injustices and illicit financial flows”, he highlighted.

This is a regional platform that will strengthen the

capacities of parliamentarians to more effectively address and promote interventions that combat illicit financial flows, fiscal injustices and issues related to domestic resource mobilization, promoting fair fiscal policies in the country. and on the continent. As explained by Dr. António Boene, vice-president of the Network Group in Mozambique and

¹ High-Level Panel on Illicit Financial Flows (HLP) defines IFFs as “money that is obtained, transferred or used illegally”, but includes tax evasion, as opposed to just evasion, as a type of IFF.

president of the Committee on Constitutional Affairs, Human Rights, and Legality, the integration will allow for much closer relations with other parliamentarians, mainly from the Southern African re-

gion. “This will also allow us to gather experiences from other latitudes, how they deal with matters of this nature and how can illicit financial flows be effectively curbed”, he highlighted.



António Boene, President of the First Committee and Vice-chair of the APNIFT-Mozambique Caucus

The expectations are high. For the chair of APNIFT, Mozambique’s accession to the network as the forty-seventh country to launch a national caucus reinforces the movement in the fight against IFFs and fiscal injustices on the continent: “We hope that they start approving bills, guarantee that the issue of Illicit Financial Flows remains on the agenda in the discussions of the National Assembly. In the committees, especially those on budget, public accounts, and finance, we want to see this issue being addressed with a gender perspective. We cannot continue losing so much money as a continent. Mozambique cannot continue losing so much money.”

“

We hope that they start approving bills, guarantee that the issue of Illicit Financial Flows remains on the agenda in the discussions of the National Assembly.

”



Khanyisile Litchfield-Tshabalala, APNIFT Chair

Remember that, like other countries in the region, Mozambique is not exempt from the perverse problem of IFFs. On the contrary, its vast and diverse wealth of natural resources (minerals and gas reserves) makes the country a fertile ground for the development of such practices. These flows represent a significant obstacle to improving the living conditions of Mozambicans, diverting critical resources that could catalyze sustainable economic growth, job creation, poverty reduction, addressing climate change, and other challenges facing the country.

Estimates indicate that the country annually loses up to 144.3 million US dollars in taxes alone through international tax abuses in the form of profit transfers to tax havens by multinationals and

wealthy individuals who hide undeclared assets and income abroad, around 5 % of tax revenue collected. This data represents only a small fraction of the real magnitude of illicit flows in the country and highlights the urgency of more proactive efforts to contain resource losses resulting from the perverse challenge of IFFs.

This scenario undermines economic growth and development efforts in the country, reducing funds available for public services, infrastructure, and poverty reduction. Furthermore, it further exacerbates income inequalities, as the richest are often in a better position to engage in such activities, leaving the resulting burden of reduced public resources on the most vulnerable populations.



Construindo uma sociedade democrática que promove, protege e respeita os Direitos Humanos.

Building a democratic society that promotes, protects, respect human rights & transform people's lives.



EDITORIAL INFORMATION:

Property: CDD – Centro para Direitos Humanos
Director: Prof. Adriano Nuvunga
Author: Gabriel Manguela
Layout: CDD

Address:
Rua Dar-Es-Salaam Nº 279, Bairro da Sommerschild, Cidade de Maputo.
Telefone: +258 21 085 797

 CDD_moz
E-mail: info@cddmoz.org
Website: <http://www.cddmoz.org>

FINANCING PARTNERS

