



PRESS STATEMENT: NATIONAL CONFERENCE ON TAX IN KENYA

The **East Africa Tax and Governance Network (EATGN)** was created out of a process that began in November 2009 in Naivasha, Kenya to 'increase stakeholder engagement and public debate on tax and governance in East Africa.' The main goal of the Network is to promote new and sustained multi-stakeholder dialogue and media debate on governance and taxation issues in Kenya and across East Africa. The EATGN organized its inaugural national conference on tax justice in Kenya on Tuesday the 23rd of August 2011 at the Kenyatta International Conference Centre. Officially opened by Dr. Geoffrey Mwau (Economic Secretary at the Treasury), the event saw over 100 participants representing civil society organizations, media, and research institutions from all over Kenya. Representatives of international organizations such as the International Monetary Fund and diplomatic missions such as the Embassy of Finland in Kenya were also in attendance. Participants at the event were made aware of the rationale and administration of taxation, together with the role of each citizen in both contributing his/her fair share of taxes and holding their local and national governments to account for the manner in which collected revenues are spent .

Figures presented at the conference demonstrated that the whole world, Africa and the East Africa region lose billions of dollars as a result of tax leakages and illicit financial flows. According to a report from the Global Financial Integrity dubbed *Illicit Financial Flows from Africa: Hidden Resource for Development*, illicit capital from Africa between 1970 and 2008 amounted to \$854.1 billion. Of this, \$38.3 billion came from the Great Lakes Region which includes Burundi, the Democratic Republic of Congo, Rwanda, Tanzania, Kenya, and Uganda. Of this amount, Kenya has lost \$7.3 billion. During the same event, Dr. Mwau confirmed that Kenya is losing about 100 billion shillings per year through tax incentives granted to foreign investors.

The EATGN believes that the current challenges with regard to tax policy and administration need to be addressed in order to increase domestic revenue for African countries—revenues that can then be used to finance properly designed development projects. These challenges include removing loopholes within tax laws that enable aggressive tax avoidance by wealthy individuals and multinationals, increasing the administrative capacity of revenue authorities to better collect tax in a transparent and fair manner, broadening the income tax base especially of the informal sector, and improving taxpayer education services. In this context, citizens and civil society organizations have a role to play in ensuring revenue collected by their governments is not misused by unscrupulous individuals through closely monitoring public expenditure in delivery of services and management of devolved funds. The conference agreed on continued multi-sector dialogue to facilitate provision of information to enhance the quality and quantity of media reporting on tax and governance and create linkages to address revenue losses from the East Africa region.

For more information, see <http://www.taxjusticeafrica.net/> or send an inquiry to infoafrica@taxjustice.net