

PROGRESSIVE DRM THROUGH MULTI-STAKEHOLDER CAPACITY BUILDING *-THE CASE OF SIERRA LEONE*

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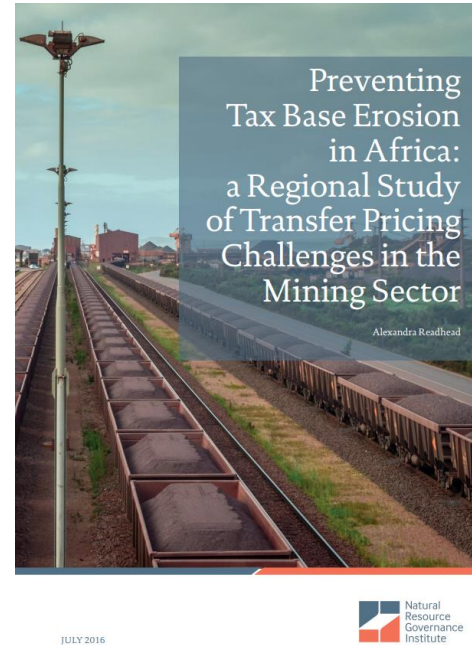
ATI Spotlight session
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TRANSFER PRICING

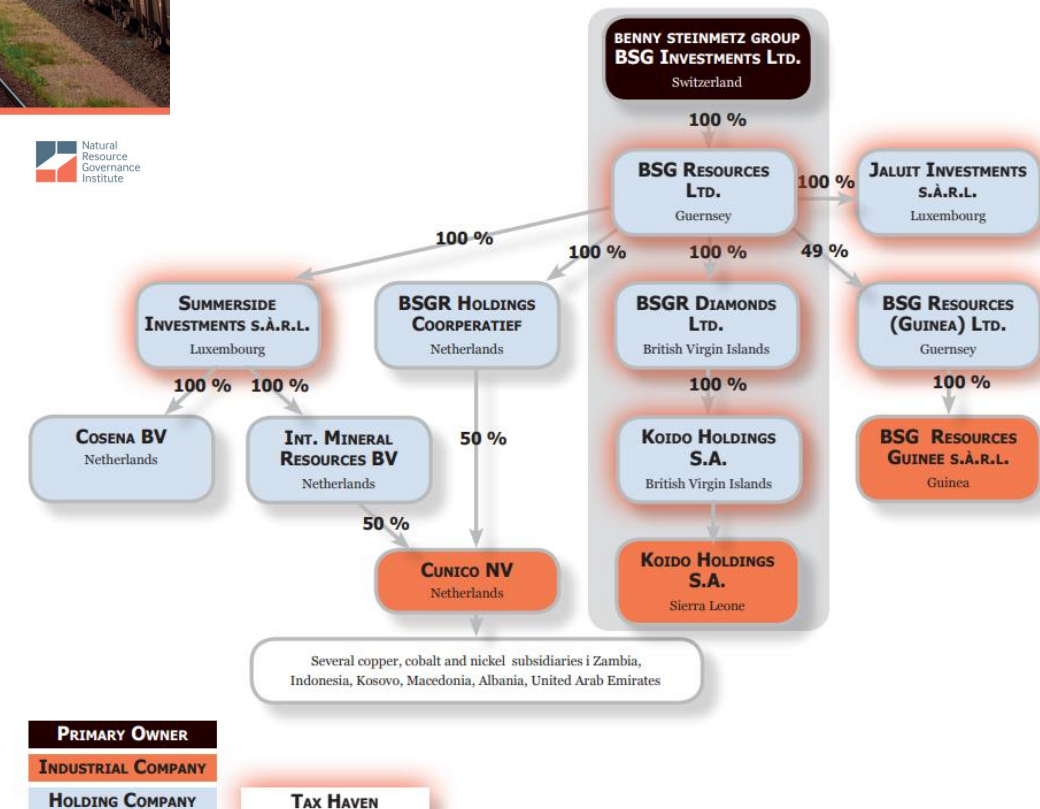
- 2011: Civil society report documents that all 5 of the biggest mining companies have links to tax havens
- 2016: Panama Papers indicates mispricing of diamonds
- 2016: NRGi report recommends establishment of transfer pricing unit
- 2017: Civil society report estimates \$87 million loss to transfer mispricing



Panama Papers: Steinmetz undervalues Sierra Leone diamonds

21 april 2016 • News

The Steinmetz Group's (BSGR) "dodgy dealings" such as the undervaluing of diamonds had been costing Sierra Leone tax payments, a media report has claimed. Times Media reports that leaked data from a Panama-based offshore fiduciary Mossack Fonseca, shared by the International Consortium of Investigative Journalists (ICIJ) and Germany's Süddeutsche Zeitung newspaper, revealed the internal financial structures created by BSGR to camouflage Octea's financial activities.



TRANSFER PRICING: PROCESS AND OUTCOME

- Collaboration between Government of Sierra Leone (Ministry of Finance and National Revenue Authority), African Tax Administration Forum, and civil society network
 - Development of first comprehensive national transfer pricing legislation
 - Establishment of a transfer pricing unit within NRA
 - Continuous training of NRA, MoF and allied officials and civil society
 - Establishment of steering group with civil society to discuss transfer pricing and revenue use
- Estimated to increase corporate tax revenue by 3%

A MODEL FOR TECHNICAL ASSISTANCE?

- What was unique:
 - The involvement of domestic civil society in capacity building of state institutions and drafting of legislation
 - Mixing the technical with the political, including space to engage in discussions over the use of revenue
 - Using regionally based expertise, and linking global-local
- Oxfam's offer: Partner with us to test this model elsewhere!

Thank you!

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