



NEWS RELEASE

ECOWAS Member States Take Stock of Transfer Pricing in the Region and Determine the Direction of Further Progress

Protecting the tax base and building a strong investment climate across West Africa

ABUJA, Nigeria, October 11, 2016 — The Economic Community of West African States (ECOWAS), the Federal Inland Revenue Service (FIRS) and the World Bank Group will co-host the first **Transfer Pricing Regional Meeting for ECOWAS Member States** in Abuja, Nigeria from October 11-13, under the European funded *Improved Business and Investment Climate in West Africa Project*. The project seeks to address a range of investment policy issues that constitute barriers for the private sector to invest efficiently across the region. The transfer pricing component of this project is an example of the World Bank's initiative to support domestic resource mobilization by helping countries to protect their corporate tax base from profit shifting.

The meeting provides a platform for ECOWAS countries to take stock of the current state of transfer pricing in the region and to determine the direction of further progress. Over 60 participants, including tax administration and tax policy officials from 15 Member States of ECOWAS as well as representatives from the ECOWAS Commission, the European Union, West African Economic and Monetary Union (WAEMU), the World Bank Group, the Organisation for Economic Co-operation and Development (OECD), the African Tax Administration Forum (ATAF), and the West African Tax Administration Forum (WATAF), will attend the three-day event.

"The Economic Community of West African States is committed to implementing programs that facilitate regional integration and making it work for private sector operators and the people of West Africa," said **Kalilou Traore, the ECOWAS Commissioner for Industry and Private Sector Promotion**. He furthered, *"We recognize that it is important to develop internationally shared transfer pricing principles for the region."*

The event is an opportunity for ECOWAS countries to share their experiences of introducing and implementing transfer pricing rules. Initiatives will be identified to assist member states to address implementation challenges arising from the scarcity of data, information and limited capacity.

"Taxes from multinational companies constitute a substantial amount of tax revenue in West African countries. This regional workshop is an opportunity for Nigeria and other ECOWAS member states to collaborate on protecting their tax base with efficient transfer pricing regimes", said **Mathew Gbonjubola, Head, International Tax, Nigeria Federal Inland Revenue Authority (FIRS)**.

The meeting will aim to determine the future direction of transfer pricing regimes in ECOWAS countries, in light of regional and international initiatives. The member states will explore how they can cooperate to support each other to introduce effective transfer pricing regimes throughout the region.

"The fact the European Union is financing this project is testimony of the Commission's committed to supporting developing countries to establish efficient, effective, fair and transparent tax systems, to implement international tax standards, and therefore to increase domestic revenue mobilization and tackle tax evasion, tax avoidance and illicit financial flows. Our support to improving investment conditions is a priority of the EU cooperation with West Africa in general and Nigeria in particular," said **Juan Casla, Head of Section - Economic Cooperation and Energy who represented Ambassador Michel Arrien, the head of EU to Nigeria and ECOWAS**.

"West Africa has enormous potential to strengthen their competitiveness and increase investment flows, which can drive growth, reduce poverty, and deliver jobs to the region. The World Bank Group is pleased to be working in partnership with regional organizations, member states, the private sector and development partners to help these countries unlock investment challenges along key trade corridors, and improve their competitiveness within the global economy," said **Roland Lomme, Senior Governance Specialist, World Bank Group**.

The transfer pricing program is an element of the *Improved Business and Investment Climate in West Africa Project*, a four-year initiative that was launched in November 2014. The €7.7 million project, funded by the European Union, seeks to support ECOWAS to improve investment policy in West Africa. The transfer pricing program is implemented by the World Bank Group, in partnership with OECD and ATAF. It is comprised of the following areas of support: comprehensive reviews and recommendations on the transfer pricing rules of ECOWAS countries, including a detailed survey and report to be presented at the event; in-depth long-term support on transfer pricing policy, legislation and implementation to three ECOWAS countries: Liberia, Nigeria and Senegal (available to other ECOWAS countries from 2017); the development of tools to assist ECOWAS countries to increase their capacity on transfer pricing and related issues; and the identification of ways in which ECOWAS countries can mutually support each other in the development and implementation of transfer pricing rules.

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For more information, please contact:

ECOWAS: In *Abuja*, Amos Lungu, Publication Officer, +234(0)8025560095, alungu@ecowas.int

FIRS: In *Abuja*, Wahab Gbadamosi, Communications and Servicom Department, wahab.gbadamosi@firs.gov.ng

European Union: In *Abuja*, Modestus Chukwulaka, Press and Information Officer, +234(0)94617800 ext 204, modestus.chukwulaka@eeas.europa.eu

World Bank Group: In *Abuja*, Kabiru Muhammed, Communications Officer, kmuhammed@worldbankgroup.org

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