



avoidance and evasion, as the real figures are hidden behind the secrecy of multinational companies' internal trading and the world's tax havens. However, there are some well researched estimates we can use for the scale of money lost. The High Level Panel (HLP) on illicit financial flows indicates that the continent losses about \$50 billion annually through Illicit Financial Flows (IFF).

Ghana as a country is also loosing huge revenues from taxes through tax exemptions, fraud/corruption & price transfers, tax evasion, tax avoidance, and other illicit transfers by companies. Corporate tax abuses could also be found in other sectors (power, petroleum and mining) through stability clauses and model agreements. An Action-Aid report on investment in Ghana found that the country is losing about \$1.2billion annually due to tax incentives. In addition, 41% of trade tax and 28% of direct tax and VAT revenues were lost through exemptions in 2012. The impact includes revenue shortfalls resulting in deficits; impedes ability to execute fiscal policy; excessive borrowing (domestic & foreign) by government; foreign aid (in whatever form with conditionality's); and earmarked revenues are not released on time. Because the state is denied these revenues, public assets are sold to make up for the deficit. This creates a vicious

cycle. We are also faced with a difficult economic situation and the IMF has recommended major public sector restructuring under the Extended Credit Facility (ECF).

WHAT CAN YOU DO?

Join the Tax Justice Campaign because tax is ultimately a political matter requiring governance decision. Trade Unions and CSO's need to make the Tax Justice Campaign as strong as possible to build the pressure on government to stop fuelling tax dodging, which increases poverty and inequality.

The government plays a central role in the tax system that allows this appalling injustice to happen, and it is only through public pressure and dialogue that the Ghana government will stop fuelling tax dodging by multinational companies and also expand the tax net to cover the many that do not pay tax at all or do not pay the appropriate tax.

WHERE TO FIND OUT MORE?

<http://www.world-psi.org/en/issue/public-fundingtaxation>
www.globaltaxjustice.org
<http://www.taxjusticeafrica.net/en/home/>

TAX JUSTICE CONFERENCE PSI NCC – GHANA

THEME: TAX JUSTICE AND PUBLIC SECTOR RESTRUCTURING

DATE: TUESDAY, 30TH AUGUST 2016

VENUE: ACCRA CENTRAL VIEW HOTEL - KOKOMLEMLE, ACCRA

PROGRAMME

Registration – 9:00 am

- 10:00am
- Opening prayer
 - Introduction of Dignitaries and CSO's
 - Welcome address and purpose of gathering by NCC Chair
 - Address by PSI Regional Secretary
 - Presentation on "Tax Justice - the issues" - Bernard Anaba (ISODEC)
 - Presentation on "Public Sector Restructuring - Alternatives" - Richard Amparbeng (PSWU)
 - Discussions/Comments/Questions & Answers
 - Closing Remarks by Chair
 - Closing prayer

MC's: Bernard and Franklin

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Tax plays a vital role in society in every country, redistributing wealth from corporations and rich individuals, funding essential public services and tackling poverty. Instead multinational companies dodge millions (if not billions) of tax every year, acting as giant corporate parasites on the countries they operate in, sucking profits out and leaving the rest of society paying the price. Also, most citizens fall outside the tax net thereby leaving the few formal sector workers to shoulder the entire tax burden to raise revenue for development.

Taxation can do a huge number of positive things in any society. Therefore it is vital that trade unions are able to articulate an alternative model of a tax system which is progressive. The tax system should also contribute to delivering and expanding quality public services like healthcare, education, utilities, roads, sanitation, physical & social infrastructure, redistributing income and wealth to tackle poverty and inequality.

Public Services International (PSI) and its affiliates together with some CSOs have campaigned for a number of years on the negative impact of tax dodging by multinational companies on the economies of developing countries. We are demanding that the government of

Ghana promote fair taxation and expand the tax net to include the many that do not pay tax. In 2015, with funding from FNV, PSI began a two-year project with affiliate trade unions in Ghana with the aim of promoting quality public services through a fair tax system under conditions of decent work. The project is also to support unions to build capacity in the areas of tax justice and to propose alternatives to public sector restructuring.

Tax justice is not just about ending tax avoidance and evasion; it is about building a democratic tax system, based on ability to pay and spent according to need.

WHAT IS TAX DODGING?

It is a general term used to refer to all the ways that companies and rich individuals try and reduce their tax bills. This is done through lobbying governments for tax breaks and lower corporate tax rates, exploiting vague loopholes in tax laws, or shifting profits into tax havens. Some of these are legal and some of them are not, but they all increase poverty and inequality.

WHAT IS TAX AVOIDANCE?

It refers to the artificial ways companies and individuals try to reduce their tax bills by exploiting tax rules in ways that were not intended. Tax avoidance is

fundamentally an unjust activity, as it offers advantages to rich individuals and multinational companies to reduce their tax bills in a way never intended. It undermines the ability of the tax system to fulfil its core purpose: i.e. to raise revenue to fund public services and to redistribute wealth.

WHAT IS TAX EVASION?

Tax evasion is acting illegally to reduce a company or an individual's tax bills. Tax evasion often involves lying to tax authorities, such as by not declaring all of a company or individuals' income or by hiding money from tax authorities in a tax haven.

WHAT IS TAX JUSTICE?

Tax justice is a principle, about how taxes are raised and how taxes are spent. Taxes should be raised progressively, based on ability to pay, and spent according to need. Tax is not only government money, it is redistributed wealth. So a just tax system is one where money is raised fairly and also spent fairly. Tax should be spent to fund essential public services and to reduce inequality in society. Tax should be raised and spent transparently, and with real democratic oversight and control.

WHAT ARE TAX HAVENS?

Tax havens, also known as 'secrecy jurisdictions', enable people or companies

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to escape or undermine the laws, rules and regulations of other jurisdictions elsewhere, using secrecy as a prime tool. The nerve centre for these tax havens supports an army of lawyers and accountants devoted to helping companies dodge tax.

HOW DO COMPANIES DODGE TAX?

Companies use lots of methods to dodge tax. By working together with accountants and lawyers, they find innovative ways to try and cut their tax bills. One of the most common ways big companies can dodge tax is through a process called 'transfer mispricing'. This involves artificially increasing or reducing the cost of goods or services bought and sold by the subsidiaries of a multinational company in different countries; the international trade within multinational companies. By charging huge fees for the use of a company's brand name or trademark, or by exporting goods out of developing countries at knock down prices, multinational companies can shift their profits out of countries where those profits would be taxed heavily into countries where they can pay less tax.

HOW MUCH REVENUE IS LOST DUE TO THE ABOVE?

There is no one definite figure for how much developing countries lose to tax