Revenue collection for harmonisation

From MARC NKWAME in Accra

Efforts are underway to harmonise all revenue collection systems to address the issue of shareholders of multinational companies plundering resources from Africa and other developing countries, due to the latter’s ignorance of international tax laws.

Tanzania Revenue Authority (TRA) Deputy Commissioner, Mr Alfred Mungu, said that for many years, Tanzania and other developing nations have been losing revenues due to conflicting revenue collection procedures and differences in tax administration between developed and developing nations.

"As a result, our countries have found themselves in the losing end whenever large companies move their profits here, because using their tax evading skills and justified by the fact that we are yet to prove competent working forces to manage revenue collection, we are helpless as companies plunder our resources," he stated.

He added that Tanzania is at crossroads because while the country was working hard to attract foreign direct investments (FDIs) through incentives while at the same time striving to protect the nation’s natural resources and revenues, through enforcing solid measures on tax compliance.

Mr Mungu was speaking during the ongoing four-day United Nations 3rd Sub-committee Meeting on extractive industries taxation for developing countries, which specifically addresses, among other challenges, the so-called ‘resource curse’ affecting poor countries.

The UN Sub-committee, according to its coordinator Mr Eric Menezes, is mandated to consider reports on and propose draft guidance on extractive industries’ taxation issues for developing countries.

It is also supposed to provide a work programme to the committee at its tenth annual session that identifies and prioritises each issue on a preliminary basis and includes proposals providing policy and administrative guidance for developing countries at a very practical level.