

**RESOLUTION ON THE FORMULATION OF AN AFRICAN MODEL DOUBLE
TAXATION AGREEMENT**

THE PAN-AFRICAN PARLIAMENT,

CONSIDERING Article 17 of the Constitutive Act of the African Union on establishing the Pan-African Parliament in order to ensure the full participation of African peoples in the development and economic integration of the continent;

CONSIDERING Article 3 of the Protocol to the Treaty establishing the African Economic Community relating to the Pan-African Parliament and Rule 4 (a) of the Rules of Procedure of the Pan-African Parliament, which empower the Pan-African Parliament to facilitate the implementation of policies, objectives and programmes of the African Union, and oversee their effective implementation;

RECALLING the Special Declaration of the Conference of the African Union on Illicit Financial Flows at its twenty-fourth ordinary session, in January 2015, in Addis Ababa and the recommendations of the report of the High-Level Panel on illicit financial flows from Africa;

NOTING WITH CONCERN that most African countries do not have a tax convention with their current or prospective investors and business partners, and that, when such conventions exist, they are unfavourable to African countries due to weak domestic laws, limited exchanges of information, excessive tax incentives and limited technical capacity to deal with the technically sophisticated cross-border transactions of multinational enterprises (MNEs);

NOTING that corporate tax revenue in Africa is lower than value added tax and personal income tax, resulting in unfair tax systems where rich MNEs pay less tax at the expense of poor citizens, and low tax revenue collection on the continent;

APPRECIATING the technical presentations of representatives of the African Tax Administration Forum (ATAF) and African Union Commission on International Law (AUCIL), highlighting the problem of double taxation in Africa, as well as the need to adopt a model double taxation agreement for Africa;

ACKNOWLEDGING the need for African countries to adopt a coherent and harmonized approach in their tax negotiations, in order to foster greater tax certainty and a better environment for investment and trade;

ACKNOWLEDGING ALSO that a model double taxation agreement can be an effective tool to promote fair trade and investment between African States, on the one hand, and between African States and non-African States on the other hand;

CONVINCED that a model double taxation agreement will go a long way to facilitating the implementation of decisions of the African Union on eliminating illicit financial flows from Africa and addressing low corporate tax revenue, resulting in an unfair tax system and low tax revenue collection on the continent;

IN ACCORDANCE WITH Rule 5 (b) (c) (d) of the Rules of Procedure of the Pan-African Parliament, which empowers the Pan-African Parliament to, inter alia, organise debate, discuss, express an opinion, make recommendations and take resolutions on any matters relating to the African Union and its organs, Regional Economic Communities, Member States and their organs and institutions;

NOW HEREBY RESOLVES TO:

1. **APPROVE** the request made to the Pan-African Parliament to draft a model double taxation agreement for Africa;
2. **GIVE MANDATE** to the Permanent Committee on Monetary and Financial Affairs to lead the process of formulating a model African double taxation agreement and to submit it to Plenary for consideration;
3. **WELCOME** the collaboration with and technical support of ATAF and AUCIL, and requests the Permanent Committee on Monetary and Financial Affairs to continue to collaborate with these institutions and other stakeholders on drafting a model double taxation agreement for Africa;
4. **REQUEST** the Permanent Committee on Monetary and Financial Affairs to ensure that the relevant departments and directorates of the African Union Commission, Regional Economic Communities, national tax administrations and civil society organizations, should actively participate in the process of drafting a model double taxation agreement for Africa.

**Adopted at Midrand, South Africa,
on 17 May 2019.**