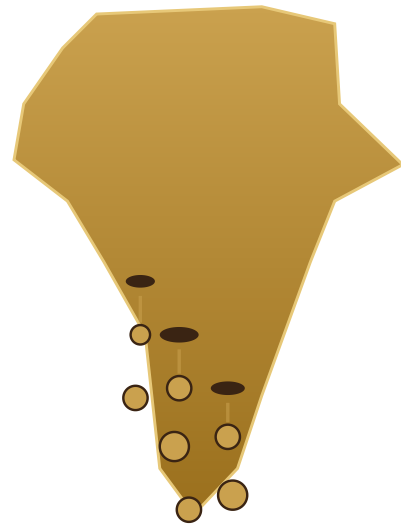


AWARENESS GUIDE · FOR CSOS &amp; JOURNALISTS

# The best international **tax transparency** option for Africa

Why the OECD's current tools (CRS, BEPS) fail to protect Africa's taxing rights – and what to take to the UN Tax Convention. No jargon. To convince.

We built **surveillance cameras** to watch the money leave. We forgot to build the **lock** to keep it in – and the **bill** to bring it back.



The leak, in one image

**\$40.1bn** lost by Africa – multinationals' diverted tax (2016–2021)

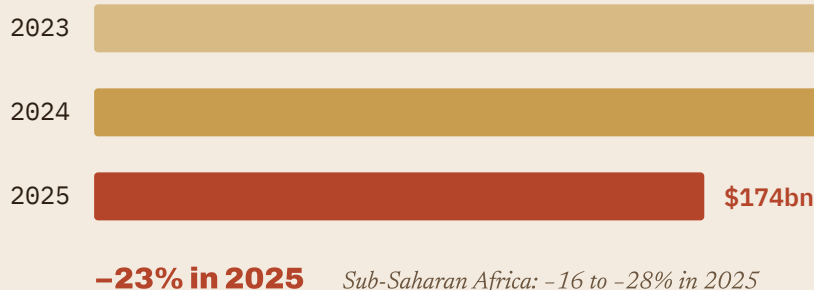
**53%** the equivalent of the continent's public health budget

**\$11.1bn** recoverable just by making country-by-country reports public

## The external safety net is tearing

The world is changing: international public aid – long presented as the mainstay of Africa's development – is **drying up fast**. And Africa must face, largely alone, crises it did not cause.

In 2025, development aid from wealthy nations collapsed by **23%** – its sharpest contraction ever recorded – falling to \$174 billion. Sub-Saharan Africa is the most exposed (projected drop of **16 to 28%**), and a further fall is expected in 2026.



Meanwhile, the continent absorbs shock after shock – **climate, geopolitical, health, financial** – for which it rarely bears responsibility. This fragility is compounded by a still-uncompetitive local private sector and foreign investment that is often **neither productive nor structuring**: according to the African Development Bank's industrialisation index, the continent remains dependent on imported manufactured goods, while part of FDI drains hard currency as rents.

The result: national budgets are under pressure. Central banks have limited room, and public money comes almost entirely from **two sources: tax and debt**. Yet debt is ever more expensive – high rates, including on local markets – and the reflex of raising **regressive taxes** hits ordinary citizens first.

### The logical consequence

When aid retreats and debt mounts, **tax becomes the backbone of development financing**. Protecting Africa's tax base – and the right to tax it – is no longer a technical question: it is a matter of budgetary survival and sovereignty.

# CRS, Action 13, Action 5: built to see, not to tax

Three OECD instruments are presented as **THE answer** to the haemorrhage of Africa's resources and taxes: the **CRS**, and **Actions 13 and 5** of the **BEPS** project. They are real progress. But look at their DNA: they were built for transparency – seeing where the money is – **not for giving Africa the right to tax it**.

CRS • THE ACCOUNT DIRECTORY

Wealthy individuals

**What it does:** banks share with one another, country to country, the list of accounts held by foreigners. Target: **hidden offshore wealth**.

ACTION 13 • THE CORPORATE SCANNER

Multinationals (CbCR)

**What it does:** large groups report profits, taxes and staff, country by country. Target: **shifted profits** – but the report stays **secret**.

ACTION 5 • THE FAVOURS REGISTER

Rulings & regimes

**What it does:** states exchange their secret **tax rulings** and curb harmful regimes (*patent boxes*). Target: **opaque tax giveaways**.

What do all three share? They **show** where the money is. None **gives the right to tax it**.

## At a glance

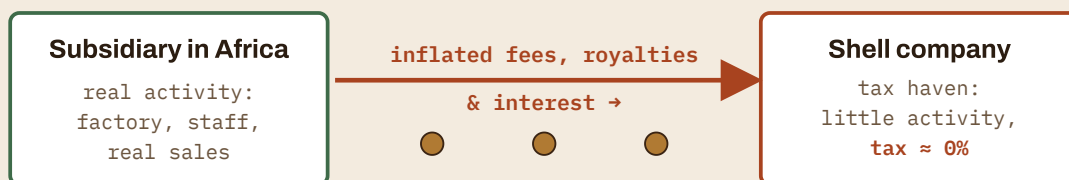
|                               | ● CRS                          | ● Action 13 (CbCR)         | ● Action 5 (rulings)       |
|-------------------------------|--------------------------------|----------------------------|----------------------------|
| Main target                   | Individuals & passive entities | Multinationals (MNEs)      | Regimes & tax rulings      |
| Nature of the tool            | Transparency – account info    | Transparency – profit info | Transparency – ruling info |
| Strengthens the right to tax? | No                             | No                         | No                         |

## The detail that settles the debate

A multinational's **active** subsidiaries are “**active**” **Non-Financial Entities** (*Active NFEs*). Their corporate bank accounts are **exempt from CRS reporting**: no bank reports them to a foreign tax authority. The CRS only “looks through” **passive entities** (wealth-holding shells) to identify the individual behind them. Conclusion: for multinationals, the only relevant tool is the **CbCR** – and it alone.

## How the money escapes — in 30 seconds

“Profit shifting” is no mystery. A multinational earns the money in an African country, then makes it **leave on paper** toward a tax haven — where it will be barely taxed.



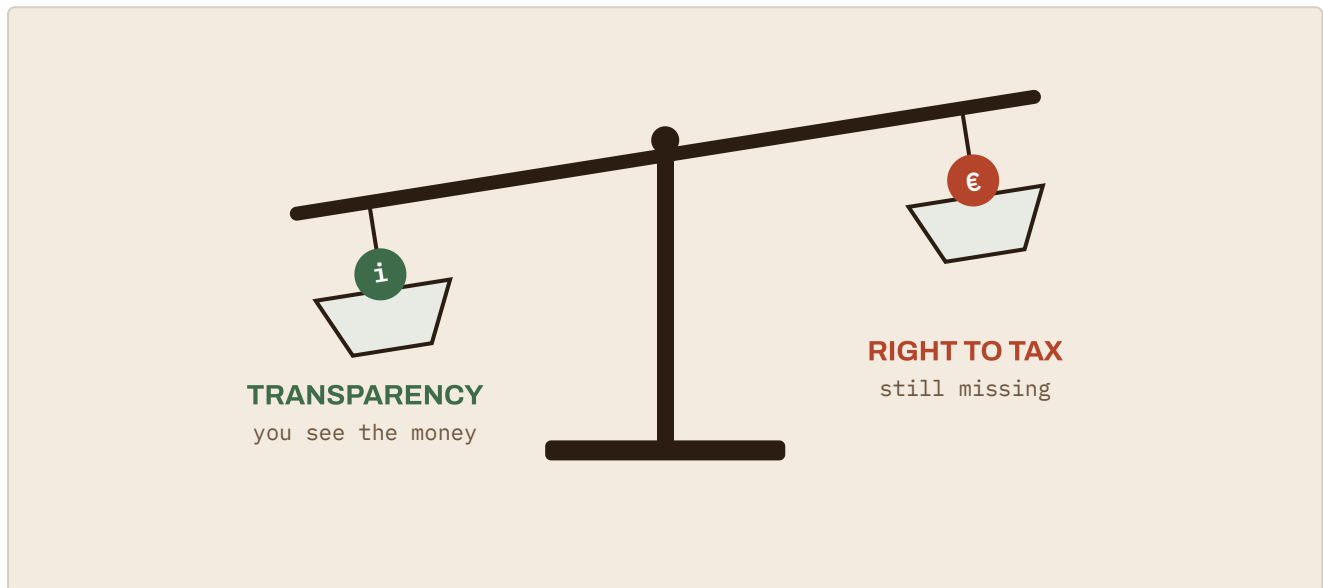
*The profit leaves the country where it was earned — without paying tax there.*

African tax, however, does not follow: the right to tax is still missing.

This is the mechanism that costs Africa **\$40.1bn** in tax and **\$152.4bn** in shifted profits. CbCR helps *spot* it. But spotting is not recovering: you still need the **right** and the **means** to tax what was diverted.

## Knowing where the money is $\neq$ having the right to tax it

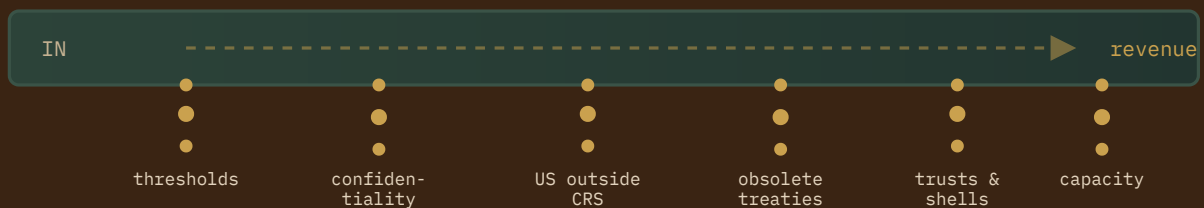
Here is the single most important idea in this guide. The CRS and Actions 13 and 5 produce **information**. They distribute no **right to tax**. You can see the treasure... without being able to touch it.



This is exactly what the African Group denounces at the UN: today's rules hand out **cameras**, not **keys**. The real battle – the fair allocation of taxing rights – is not in the CRS or the CbCR. It is in the future UN Tax Convention.

## A machine full of holes

On paper, the OECD system is watertight. In practice, money leaks through six well-known holes. Each one is a **political choice**, not a technical inevitability.



- 1. Thresholds:** €750M (CbCR) and 25% (beneficial owner) let a crowd slip through.
- 2. Confidentiality:** CbCR stays secret. Making it public would bring Africa \$11.1bn (\$475bn worldwide).
- 3. US outside CRS:** it takes the info (FATCA) but gives none back. A structural asymmetry.
- 4. Obsolete treaties:** a leaky bilateral network that often excludes the countries that need it most.
- 5. Trusts & shells:** discretionary arrangements that still escape reporting.
- 6. Capacity:** receiving the data is useless without the human means to use it.

## Three reasons, plainly

---

### 01 It isn't that effective

The figures speak: over 2016–2021, Africa lost **\$40bn** in corporate tax to shifted profits – the equivalent of **53%** of its public health spending. And the system leaks even at the core of the OECD: **US** multinationals alone account for \$494bn in global losses (29% of the total). A system that lets profits slip even at its chief architect cannot be Africa's shield.

---

### 02 It's too complex, and full of limits

Excluding thresholds, secret data, broken reciprocity, ageing treaties. Each limit looks technical – but really protects those who benefit from opacity. Complexity is not neutral: **it favours the powerful**.

---

### 03 It guarantees no right to tax

Even perfectly applied, these tools give Africa **no additional right to tax** the profits made on its soil. That is exactly what the African Group demands at the UN – and what the OECD does not deliver.

---

---

## Worth remembering, to argue

**\$40.1bn**

in corporate tax lost by Africa to multinationals' profit shifting (2016–2021, in 2021 dollars)

**\$11.1bn**

recoverable for Africa simply by making country-by-country reports public ( $\approx 15\%$  of the health budget)

**\$494.5bn**

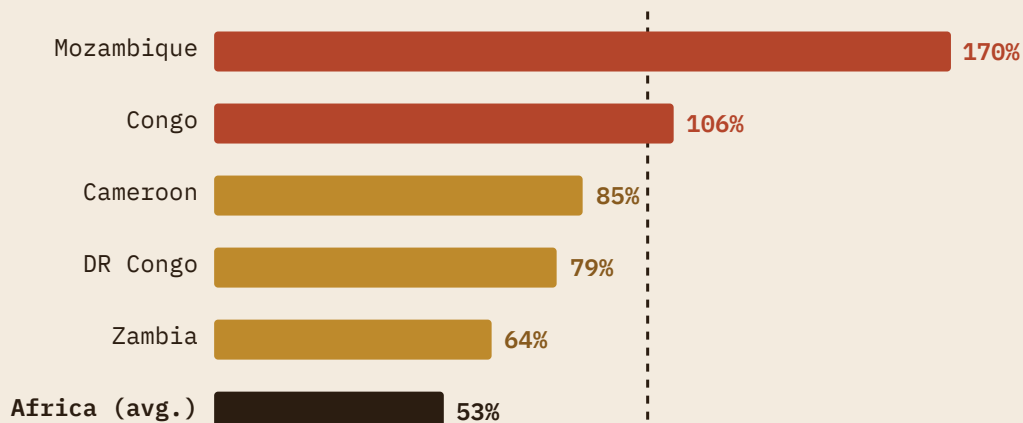
lost worldwide to US multinationals alone – 29% of the global \$1.7tn total

**170%**

in Mozambique, lost tax equals 1.7× the national health budget

### Lost tax, compared with the health budget

For several countries, what multinationals divert exceeds what the state spends to care for its people. The line marks 100% of the health budget.



*Extreme cases tied to offshore registries: Liberia 794%, Seychelles 627%.*

100% = health budget

### The empirical verdict: 15 years of effort, a drop in the ocean

The *Tax Transparency in Africa 2025* report (OECD Global Forum) hails the revenue “recovered” through transparency. But set against the losses, it says the opposite of what it is made to say.

≈ €4.2bn

identified by African countries  
through OECD mechanisms  
in 15 years (2009–2024)

FACED WITH

\$40.1bn

in corporate tax lost  
in just 6 years (2016–2021)

The two figures do not measure exactly the same thing (recovery via CRS/EOIR on one side, corporate-tax losses on the other). But the order of magnitude is damning: the system brought back only a **tiny fraction** of what the continent loses — proof that, for Africa, it does not work effectively.

7

OUR PROPOSAL — CRADEC · TJNA

## Transparency that serves the right to tax

Transparency is not the enemy: poorly designed, it informs without arming. Here is the option championed by CRADEC and the TJNA network — **public, unconditional and complete** transparency, in the service of Africa's fiscal sovereignty.

ON THE MULTINATIONALS' SIDE

### Make opacity impossible

- + **Public country-by-country reports (CbCR)** — not merely exchanged in secret between administrations.
- + **Public reports on harmful tax practices** and the rulings granted.

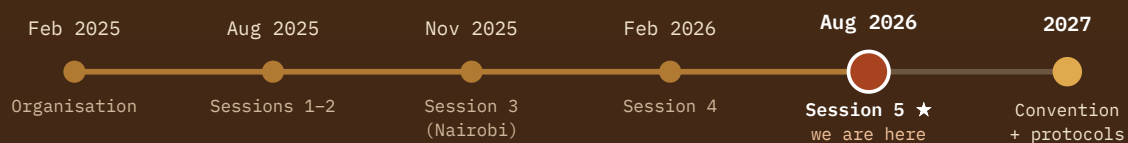
ON THE GREAT-WEALTH SIDE

### Lift the veil on assets

- + **Unconditional automatic exchange of information** — ending the reciprocity that shuts Africa out.
- + **Full beneficial-ownership transparency**, with no convenient thresholds.
- + **A freely accessible global asset registry.**

## The appointment: the UN Tax Convention

This option will not be won at the OECD, but at the UN – where, from 2025 to 2027 and on an equal footing, the **UN Framework Convention on International Tax Cooperation** is being negotiated. The decisive next step: the **5th negotiating session (INC)**, 3–14 August 2026 in New York – what civil society calls the “moment of truth”.



- **A fair allocation of taxing rights** – taxing where value is really created, not by rules written in the North.
- **Public, unconditional and complete transparency**: public CbCR, unconditional automatic exchange, beneficial owners, a global asset registry.
- **Inclusive governance**: every country decides, not just the OECD club.

### Traps to avoid in the negotiation

- ✗ Believing **Pillar II** (15% minimum tax) settles it: it mainly benefits headquarters countries, not African source countries.
- ✗ Believing **BEPS** resolves the information asymmetry on multinationals: it reduces it, without rebalancing the right to tax.
- ✗ Believing the **CRS** is THE solution against asset concealment: without reciprocity or capacity, Africa stays at the door.

The progress the OECD claims remains **partial**, access conditions are **unequal** – especially for Africa – and the **underlying rules don't change**. Africa needs a fairer international tax-

transparency framework that defends its **sovereign and effective** taxing rights.

9

READY-TO-USE MESSAGES

## Your punchlines

**“We were given cameras to film the money leaving. Not the lock to keep it.”**

Sums up in one image the difference between transparency and the right to tax.

**“Aid is collapsing by 23%. But Africa loses far more to diverted profits — \$152 billion — than it ever received in aid. The future is tax, not charity.”**

Links the end of aid to the urgency of protecting the tax base.

**“In 15 years, the OECD's tools recovered \$4 billion for Africa. In 6 years, the continent lost 40 on corporate tax alone. The verdict is in the numbers.”**

The empirical contrast that demolishes the idea that “the system works”.

**“African tax justice won't be won at the OECD. It's negotiated at the UN — this August, in New York.”**

Points to the structural fix and the immediate appointment (INC 5).

## A short jargon-free glossary

---

|                                     |                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CRS</b>                          | <b>Common Reporting Standard.</b> Automatic exchange, between tax administrations, of information on financial accounts held abroad by individuals.                                                                                                                                                                                                                               |
| <b>CbCR · Action 13</b>             | <b>Country-by-country report.</b> A document where large multinationals report, for each country, their profits, taxes paid and staff. Currently confidential.                                                                                                                                                                                                                    |
| <b>BEPS</b>                         | <b>Base Erosion and Profit Shifting.</b> OECD/G20 project (15 “actions”) against the erosion of tax bases and profit shifting.                                                                                                                                                                                                                                                    |
| <b>Action 5</b>                     | The BEPS strand targeting <b>harmful tax practices</b> and the exchange between states of <b>rulings</b> (special tax deals granted to companies).                                                                                                                                                                                                                                |
| <b>Pillar II</b>                    | A <b>15% global minimum tax</b> on the very largest multinationals – which mainly benefits the countries where they are headquartered.                                                                                                                                                                                                                                            |
| <b>Beneficial owner</b>             | The <b>individual</b> who really owns or controls a company or asset, behind nominees and structures.                                                                                                                                                                                                                                                                             |
| <b>NFE · Non-Financial Entity</b>   | Any entity that is <b>not a financial institution</b> (bank, custodian...). It comes in two kinds: an <b>Active NFE</b> – a genuine operating business (factory, trade), outside the CRS look-through; and a <b>Passive NFE</b> – a structure that mainly holds wealth (holding, shell), for which the financial institution must identify the <b>beneficial owner</b> behind it. |
| <b>Non-financial intermediaries</b> | Notaries, bailiffs, real-estate agents, wealth managers: they gather information on assets and the <b>beneficial owner</b> , yet remain largely <b>outside the automatic-exchange system</b> . (Insurers offering cash-value products are, by contrast, <b>reporting financial institutions</b> .)                                                                                |
| <b>Profit shifting</b>              | The <b>accounting relocation</b> of profits, from the country where they are earned to a very low-tax country.                                                                                                                                                                                                                                                                    |
| <b>Illicit financial flows</b>      | <b>Illegal or abusive</b> money movements out of a country: evasion, fraud, false invoicing, corruption.                                                                                                                                                                                                                                                                          |

---

## Asset registry

A database recording **who owns what** (companies, property, accounts) – at country or, ultimately, world level.

---

## UN Tax Convention

A framework under negotiation (2025–2027) for **international tax rules decided by all countries**, not just the OECD.

---

## CRADEC

Centre Régional Africain pour le Développement Endogène et Communautaire

member of **TJNA** Tax Justice Network Africa

---

A **CRADEC document**, member of Tax Justice Network Africa. A Cameroonian development-support association (Yaoundé, since 1996) campaigning for **tax justice** – fighting evasion, fraud and illicit financial flows to finance the Sustainable Development Goals. Member of the **Publish What You Pay** Cameroon coalition. · [cradec.net](https://cradec.net)

**Figures.** Losses and shifted profits: **State of Tax Justice 2025** (Tax Justice Network), Africa dataset – corporate tax abuse, 2016–2021, in 2021 dollars (\$40.1bn tax, \$152.4bn shifted profits, 53% of the health budget, \$11.1bn recoverable via public CbCR). Revenue “recovered” by Africa: **Tax Transparency in Africa 2025** (OECD Global Forum), ≈ €4.2bn identified since 2009. Aid collapse: **OECD – 2025 ODA data** (–23.1%, \$174.3bn). Calendar: **5th INC session** of the UN Tax Convention, 3–14 August 2026, New York. **Recommendations** reflect the positions of CRADEC, TJNA and civil society; they are advocacy, to be distinguished from data.

**The key distinction never to lose:** the CRS, Action 13 (CbCR) and Action 5 (rulings) are **transparency** tools – they show where the money is. None confers the **right to tax**: that is the purpose of the UN Tax Convention.