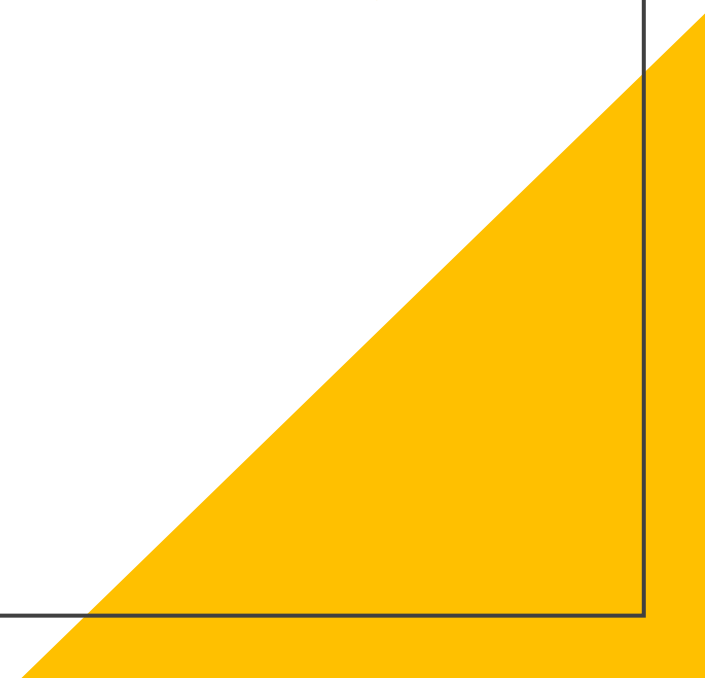# Zambia

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PROCESS

- **When the work started**:
  - Zambia is a late entrant in the IFF project
  - Work effectively started in January 2022,(TWG-Consultant), April 2022 – Pilot, August 2022 Compilation of preliminary Estimates.
- **Agencies involved in the TWG**:
  - line ministries, central bank, national statistical office, policy think tank, tax authorities, law enforcement agencies

• Ministry of Finance and National Planning • Ministry of Mines and Minerals Development	• Bank of Zambia (Central Bank) • Zambia Statistics Agency • Zambia Revenue Authority	• Financial Intelligence Centre • Anti-Corruption Commission • Drug Enforcement Commission • Zambia Police Service	Zambia Institute for Policy Analysis & Research

METHODS USED & RESULTS

Methods Used:

Method 1: Partner Country Method = Zambia Statistics Agency.

Method 3: Global distribution of Multi-National Enterprises' (MNEs) profits and corporate taxes = Zambia Revenue Authority

Preliminary Outputs:

Method 1: The preliminary findings based on seven major trading partners, show that almost twice the value of the country's GDP was potentially **Mis-invoiced** during the period 2012-2020.

Method 3: Obtained database of MNEs operating in Zambia during 2019-2020 from International Taxation Unit, Zambia Revenue Authority:

Preliminary Outputs Cnt'd:

Method 3 (So far..):

- Classified MNE's based on number of employees; total value of sales; operating profit; profit before tax; profit after tax; tax paid; total fixed assets; and total assets

• Profiled MNEs based on the above variables to determine which thresholds to use.

LESSONS LEARNED - Challenges

- **Feedback on the organization of work**
  - IFF work not part of the institutional workplans
  - Therefore, constrained budgets and time devoted to the work.
  - Low levels of funding, Data availability and confidentiality

LESSONS LEARNED - Benefits

- UNCTAD guidelines and tools are very helpful
- Support at High Government Level ***(Secretary to the Treasury)***
- Capacity building and strengthening of staff skills
- Establishment of TWG
- Awareness raising
- Network

POLICY IMPLICATIONS OF IFFs

- IFFs have a strong bearing on general economic growth (*i.e. economic and financial stability),* development, governance *(i.e. service provision),* national security etc

- **Legal Framework (FIC):** Anti-Money Laundering and Financing of Terrorism (AML/CFT) legal framework to promote financial integrity by making it difficult to conceal illegal activities .