Regional workshop on the launch of the statistical measurement of Illicit Financial Flows (IFFs) for pilot countries in Africa
16 - 17 June 2021
Introduction

IFFs are defined in several ways. They are illegal movements of money from one country to another.

✓ Illicit financial flows generally involve the following practices: money laundering, bribery by international companies and tax evasion, falsification of business transactions, corruption, etc.

✓ IFFs are estimated at $88.6 billion per year for Africa (UNCTAD 2020 report on sustainable development in Africa). 166 million according to the Civil Forum for Senegal

✓ The extractive sector is the most affected in Africa (85% of resources come from the extractive sector)
Presentation outline

I. Agencies with expertise and data on IFFs

II. The most relevant IFFs for Senegal

III. Expectations for the pilot project
Agencies with IFFs expertise

- **OFNAC (National Anti-Corruption Office)**
  - Fight against corruption (development of a national anti-corruption strategy 2020-2024)
  - **CENTIF (National Financial Information Processing Unit)**
  - The adoption of the Uniform Act No. 2018-03 of 23 February 2018 on the fight against money laundering and terrorist financing (AML/CFT)
  - Decree No. 2019-1499 of 18 September 2019 creating and laying down the rules of organisation and operation of the National Committee for Combating Money Laundering

- **EITI (Extractive Industries Transparency Initiative)**
  - Recommendation made in the 2019 report
  - Finalise the procedure manual for the management of mining titles that is being developed at the DMG and provide for systematic controls on transactions on mining titles.

- **Other institutions (DGID, DGD, etc.)**
Most relevant IFFs for Senegal

- **Extractive industries**
  
  The extractive industries benefit from tax breaks for the first 5 years of operation. During this period, they tend to overexploit resources to maximise their profit.

- **Mining sector**
  
  In the manufacture of construction materials, in particular cement plants, the mineral resources used are largely undervalued in order to minimise the amounts payable as mining royalties.

- **Under-declaration (DSF)**
  
  Incorrect tax returns on turnover and business expenses of formal enterprises.
Expectations for the pilot project

➢ *Capacity building on IFFs especially for understanding capital expenditure by the mining and extractive industries*

➢ *Capacity building to understand statistics on money laundering, tax evasion, corruption and the assessment of expenditure that could be assimilated as corporate income tax*

➢ *Capacity building on the statistical methods used to measure IFFs*
THANK YOU FOR YOUR KIND ATTENTION

CONTACT: Malick DIOP
PHONE: 77 443 47 23
malickdiop.diop@ansd.sn