



Agence Nationale  
de la Statistique  
et de la Démographie



# Presentation on Illicit Financial Flows

**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*



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# THANK YOU FOR YOUR KIND ATTENTION

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