

ILLICIT FINANCIAL FLOWS IN UGANDA.

A discussion on IFF risks in petroleum sector and the connection between IFFs and Beneficial ownership, gender equality, Environmental justice, and Human Rights.



Some of the panelists at the meeting.

On Wednesday, February 24, 2021 the Advocates Coalition for Development and Environment (ACODE) and the Global Financial Integrity (GFI) in partnership with the Civil Society Coalition on Oil and Gas (CSCO) hosted a panel discussion to discuss Illicit Financial Flows (IFFs) risks in the petroleum sector and the connection between IFFs and beneficial ownership, gender equality, environmental justice, and Human rights.

The panel featured presentations by expert speakers like Ms. Lakshmi Kumar-Policy Director, Global Financial Integrity (GFI); Dr. Dan Ngabirano-Partner, Development Law Associates, and Mr. Michael Olupot- Tukei, Deputy Executive Director Financial Intelligence Authority (FIA)



James Muhindo-National Coordinator-CSCO show casing one of the info sheet.

Following an assessment by CSCO with support from Oxfam on the IFFs risks in the Oil and Gas sector, it was noted that African governments including Uganda continue to lose money through IFFs and it is feared the situation could get worse with the commencement of commercial Oil production. According to the 2018 Global Financial Integrity report, Uganda loses an estimated sh2 trillion per year through IFFs.

Dr. Dan Ngabirano, Partner -Development Law Associates, highlighted several perpetrators of IFFs, one of them being the Double tax agreements. He noted that Uganda subscribes to 10 Double Tax Agreements and is negotiating the 11th but unfortunately most of these were poorly negotiated and called upon government to consider reviewing the different agreements.

Ms. Lakshmi Kumar, the Policy Director -Global Financial Integrity highlighted the mismatch between financial innovation and regulation as a major challenge in curbing IFFs. She noted that most governments are always playing “catchup” since financial innovations develop faster than regulation.

The issue of beneficial ownership came out strongly during the meeting which concern was further emphasized by the Deputy Executive Director, Financial Intelligence Authority (FIA) Mr. Michael Olupot-Tukei who informed the meeting that Uganda was grey listed on issues to do with beneficial ownership, a situation that needs urgent attention to curb IFFs. In his concluding remarks, Mr Olupot thanked ACODE, GFI and CSCO for organizing such a platform that encourages information exchange among stake holders for sustainable development and proposed having more engagements like those.

The discussion enlisted a number of commitments from key sector actors to work together to curb Illicit Financial Flows.



In his closing remarks, the Deputy Executive Director-ACODE Mr. Onesmus Mugenyi, thanked GFI, CSCO and all the government agencies for their participation in the discussions and called upon their continuous collaborations with a view of adding value to the already existing efforts against IFFs.

Two info-sheets on the subject were published and disseminated at the meeting and can be accessed on the following links; [Illicit Financial Flows in Uganda](#), and [Illicit Financial Flow Risk Factors in the Oil and Gas Sector](#). The meeting received media coverage from the New Vision, The Daily Monitor, East African and the Observer as captured in the links Below.

TITLE AND LINK	MEDIA HOUSE
Areas to watch for potential illicit financial transactions. Read more...	New Vision
Areas for potential illicit transactions Read more...	New Vision
oil, gas & infrastructure Read more...	New Vision
Oil sector: civil society tightens noose on illicit financial flows. Read more...	New Vision
Illicit financial flows; Why Oil production poses challenges https://observer.ug/businessnews/68701-uganda-losing-revenue-in-illicit-flows	The Observer

<p>The gendered face of Illicit Financial Flows in the Extractives sector https://newvisionapp.page.link/8cmaiN5z4hJagFDB9</p>	<p>The New vision</p>
<p>Extractives sector: Why the country should care about Illicit Financial Flows. https://www.monitor.co.ug/uganda/business/finance/extractive-sector-why-the-country-should-care-about-illicit-financial-flows-3322054</p>	<p>The Daily Monitor</p>
<p>Illicit financial flows and tax havens sabotaging Countries development goals. https://www.theeastafrican.co.ke/tea/oped/comment/illicit-financial-flows-sabotaging-development-goals-3337086</p>	<p>The East African</p>

