



ILLCIT FINANCIAL FLOWS (IFFS); POTENTIAL RISKS IN UGANDA'S NASCENT OIL AND GAS SECTOR.

On 2nd of February 2021, the Civil Society Coalition on Oil and Gas (CSCO) organized a press conference to address the media on risks associated with IFFs in Uganda's oil and gas sector. CSCO cautioned Government of Uganda on the looming danger noting that failure to manage IFFs could undermine the country's ability to generate the required revenue from its petroleum wealth which will perpetuate underdevelopment and poverty.

In a statement read at the press conference by Mr. James Muhindo, National Coordinator for CSCO, it was noted that Africa is estimated to be losing about 50b in illicit financial flows and 2 Trillion for

Uganda. The statement also highlighted techniques employed by oil companies that facilitate IFFs which include among others creating a complex web of companies that conceal beneficial owners and registering in tax havens where Uganda has signed Double Tax Agreements an opportunity, they exploit to avoid taxes that would otherwise be due to Uganda.

Mr. Henry Bazira, the Executive Director Water Governance Institute informed the press that companies open up multiple companies intentionally to evade taxes, reduce the taxes they are supposed to pay and hide the rightful owners of the companies.



L-R: James Muhindo - National Coordinator CSCO, Regina Navuga - Program Coordinator, Financing for Development-SEATINI Uganda, Henry Bazira-Executive Director-Water Governance Institute, and Onesmus Mugenyi - Deputy ED ACODE



In addition, Mr Onesmus Mugenyi, the Deputy Executive Director, ACODE, advised government to establish the provisions needed in the Double taxation agreements to bridge the gaps that facilitate IFFs which consequently result in the country's loss of income or

revenue that would otherwise finance development. Also, Ms. Reginah Navuga -Program Coordinator Financing for Development, SEATINI Uganda, warned that IFFs are likely to increase the citizen tax burden as Oil companies fail to pay their fair share of taxes.



Part of CSCO team after the press conference

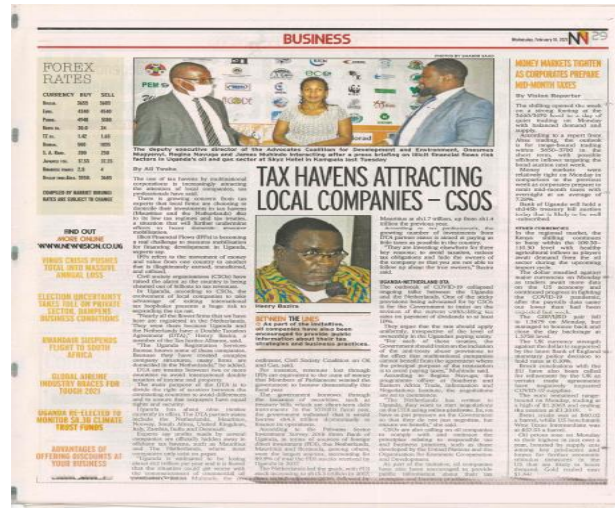
The press statement and the recommendations provided can be found on the CSCO and ACODE website at <http://www.cscoug> and <http://www.acode-u.org> respectively

The statement attracted the attention of Government Agencies and discussions are ongoing regarding operationalization of the recommendations.

Media Links To The Press Coverage.

Media Channel	Links
UBC	Activists want enactment of law to curb illicit financial flows. https://youtu.be/q4mWMDJ5GXA
NTV	Illicit financial flows, Why Oil production poses challenges : https://youtu.be/mOMqC3AF0Co
NBS	The Oil and Gas debate: https://www.youtube.com/watch?v=C-AUHeqtEA
The Daily Monitor	National Stake holders decry govt secrecy in Oil dealings: https://www.monitor.co.ug/uganda/news/national/stakeholders-decry-govt-secrecy-in-oil-dealings-3279748?view=htmlamp

Images of the press conference in the print media.



The Civil Society Coalition on Oil and Gas in Uganda (CSCO) is hosted by the Advocates Coalition for Development and Environment (ACODE). Contact: Tel: +256 312 812 150 Email: info@cscoug Website: www.cscoug

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