

# WORKSHOP REPORT

TECHNICAL ROUNDTABLE WORKSHOP ON ILLICIT FINANCIAL FLOW.



Paloma Hotel, Accra

15<sup>th</sup> March, 2017.

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## **1.0 INTRODUCTION**

### 1.1 Workshop Objective

The ultimate objective of the technical roundtable was to validate the research report produced by ISODEC with funding from Ford Foundation and to facilitate the related interventions aimed to reduce or eliminate transfer pricing in both services and commodity trade in Ghana. The workshop was to also enable ISODEC to do advocacy on the issue of illicit financial flows from Ghana. The objective was achieved through two action oriented presentations and plenary discussions. ISODEC provided the draft report to the participants prior to the workshop which enable them to actively participants.

### 1.2 Workshop participation/Organization

The workshop was attended by representatives from ministry of finance, Ghana Revenue Authority, Financial Intelligence Center, Energy Commission, the media and CSOs. The complete list of registered participants is presented in Annex II.

The workshop was organized by Integrated Social Development Center (ISODEC) with financial support from Ford Foundation.

### 1.3 Workshop Programme

The programme for the workshop is given in Annex I.

## 2.0 OPENING CEREMONY

### 2.1 Welcome Address and Introduction of Workshop

*Mr. Bishop Akolgo, ISODEC*

The executive Director of ISODEC, Mr. Bishop Akolgo formally welcomed the participants to the workshop and outlined the objectives of the workshop. According to him as part of ISODEC's advocacy, there is the need to look at revenue generation hence the effort to identify ways of saving money for development since the economy of Ghana needs more revenue to work again. He then suggested that, one major way of generating more revenue is through taking money from illegal money making system. He indicated that the report is made up of two cases; transfer pricing and commodity imports and exports. He advised that participants must take the workshop seriously and participate effectively by contributing to the need for change.

### 2.2 Introduction of Chairman

*Dr. Steve Manteaw, ISODEC*

The facilitator of the technical roundtable workshop Dr. Steve Manteaw introduced the chairman for the workshop, after which he gave the opportunity to the participants to do a self-introduction.

### 2.3 Chairman Response

*Mr. Joseph Winful*

The chairman of the workshop, Mr. Joseph Winful, gave his response by indicating that he was privileged to be part of the workshop. He mentioned that it is a duty of citizens to help the

government to solve social problems. He concluded by stating that the day's workshop must be an effective one to help find solutions to minimize the illicit financial flows in Ghana.

### **3.0 THE WESTERN CORRIDOR GAS INFRASTRUCTURE PROJECT**

#### 3.1 Presentation

*Mr. Bernard Anaba, ISODEC*

Mr. Bernard Anaba, in this presentation indicated that, the study was conducted for the following reasons;

- To learn about the things that affect the financial health of Ghana and Africa
- To learn from the case-study of Ghana Gas infrastructure project and how we are exploiting our last frontier of resources to the detriment of our development needs
- To spur up official action and sense of urgency in these matters
- To help galvanise the fight against illicit financial flows in Africa
- To help in the mobilisation of domestic resources and take advantage of the era of self-reliance.

According to him, the study adopted literature review, process audit or institutional analysis and key informant assessment or interviews as the main methodologies used in the study. Mr. Anaba, also outlined the institutions involved in the Ghana Gas project and their roles in his presentation. He continued with the findings and recommendations of the study. He then concluded his presentation by stating that State actors must be in a hurry to prevent such acts in the future.

## 3.2 Discussions

1. The head of transfer pricing unit, Mr. Fransis Asinyo stated that, SINOPEC created the impression that they were exempted from paying tax from the start but a team was put up to look at it. Another team was also set up to go to Ghana Gas, Custom, Transfer Pricing, and Petroleum commission for verification. According to him, the contract did not cover SINOPEC China but rather SINOPEC Ghana.
2. Mr. Bishop Akolgo, the Executive Director of ISODEC and a board member of petroleum commission on behalf of the commission stated that Ghana Gas was set up to purposely execute the project so they broke all the rules to execute the project. According to him, Petroleum commission tried to verify some of their activities but Ghana Gas was not forthcoming, he then advised that to prevent future occurrence there is the need for institutionalization.
3. Mr. Bishop Akolgo added that, each institution has a role in the procurement process of SINOPEC since one institution is mandated to check the equipment procured by SINOPEC at the up shore and another must give the operating permit for the equipment to be used hence the need to clearly define which institution does what to prevent overlapping of mandatory responsibilities of the institutions responsible.
4. Mr. Joseph Winful, the chairman for the workshop also indicated that when the transfer pricing became an issues in Ghana, he personally informed the Ghana Revenue Authority that the transfer pricing unit is a unit that needs the right expertise to deal with the issue.
5. Dr. Steve Manteaw, the facilitator for the workshop, suggested that sanctions are necessary to correct the act of mis-pricing which to him should include putting the issue in the media even after taking the money back from them.

6. Mr. Awaye Julius from customs unit of the Ghana Revenue Authority stated that from 2015, the capacity challenge of the custom division has been identified and now being solving. The issues raised in the ISODEC report on mis pricing, existed during the time the review of the functions. According to him, things are picking up in the unit.
7. Mr. Fransis Asinyo, the head of Transfer Pricing Unit of the Ghana Revenue Authority also mentioned that a committee made up of the petroleum commission, ministry of finance and the transfer pricing unit was set in 2016 to develop a framework that will check the system and the problem solved. According to him, Africa task force is developing a new model for transfer pricing for Africa which will be outdoor in May, 2017.

## **4.0 TRANSFER-PRICING IN COMMODITIES IMPORT IN GHANA**

### 4.1 Presentation

*Mr. Bishop Akolgo, ISODEC*

In his presentation, identified the issue of under-invoicing in import and outlined the problem that exists in terms of customs and valuation of imports and concluded by indicating how the clearing agents, importers, financial agents and the banks are involved in the process of under-invoicing in import.

### 4.2 Discussions

1. Mr. Joseph Winful, asked how the human issues from the customs unit can be addressed. He then suggested that there should be enough motivation from the government to the customs workers and they could also be frequent transfers of officers to present the corruptions at the ports. He also suggested that the attitudes of all the parties must change.

2. Another participant from the custom unit of the Ghana Revenue Authority, Mr. Awaye Julius also explained that there is a structure process used for the payment of duty at the ports of Ghana in that, what the importer pays for determines the custom value and the processes are governed by law. The customs unit according to him, now has links with the banks in Ghana. He then suggested that, strengthening the capacity of the clearing agents will also help check illicit financial outflows since agents according to him are held responsible for the responsibility of the importer.. He continued that valuation of the duty an importer is supposed to pay for a good is done at the head office of the unit not at the ports and information asymmetry between the agents and the custom officers at the port might be one of the causes of transfer pricing. Banks are made to collect every payment to the unit hence corruption is difficult.
3. The representative from Financial Intelligence Center Mr. Nutakor also suggested that any trade that breaks the law should be delayed by the customs unit.
4. The representative from Energy commission, Mr. Isaac Ennison also suggested that the customs unit should educate the public on how to calculate the duty to pay on an imported good so that everybody will be informed, which according to him will make things transparent for effective accountability.

## **5.0 COMMENTS FROM PARTNERS**

### 5.1 Ford Foundation

*Ms. Eva Kouka*

Ms. Eva Kouka, a representative from Ford Foundation commented that, the technical roundtable workshop was useful, effective since the participants contributed actively in the discussions. She then advised that the ministry of finance, Ghana revenue Authority, energy commission, petroleum commission, financial intelligence center, media and others should see the CSOs as partners for fighting illicit financial flows in Ghana rather than seeing each other as opponents.

### 5.2 TrustAfrica

*Mr. Briggs Bomba*

The representative from TrustAfrica, Mr. Briggs Bomba also indicated that, the workshop was a very impressive engagement and advised that, stakeholders present should facilitate cross-country information exchange in order to fight illicit financial flows in Ghana and the rest of the Africa countries

## **6.0 CLOSING REMARKS**

The chairman for the technical round table Mr. Joseph Winful indicated that the workshop was an exciting one with active participation all the attendants. He stated that, listening to the politicians in the country, Ghanaians have no reason to be poor, at 60 years, Ghana is too old to be making mistakes. He indicated that Dr. Kwame Nkrumah once said that the black man is capable for managing his or her affairs hence there is the need to mobilise resources and spread it within our

means. He continued that, most of the decision makers were not present for the discussion but the report could get to them especially through the media. According to him, to practice effective democratic, Ghanaians must have a voice and the media must be partnered to make the noise since leaders fail the media so this will push them to act effectively to stop illicit financial flows from the country. He then concluded by appreciating the participants for an effective workshop.

## **7.0 RECOMMENDATION**

1. Collaboration among institutions in Ghana must be made mandatory.
2. There are a lot of similar mandates among institutions hence overlapping of roles must be checked.
3. The law must also be looked at to identify loop holes and the gap fills since businessmen take advantage of the loop holes in the law to make profit.
4. Custom Unit is one of the important organization in terms of mobilization of revenue for the country hence the need for strengthening the capacity of unit.
5. Institutions must be well equipped and motivated for an effective implementation and execution.
6. There is the need to undertake proper due diligence before the signing of any State contract.

## Annex 1- Workshop Programme

### TECHNICAL ROUNDTABLE WORKSHOP ON ILLICIT FINANCIAL FLOW.

**Date:** Wednesday, March 15, 2017

**Venue:** Paloma Hotel, Ring Road

**Time:** 9:30am

#### PROGRAMME

TIME	ACTIVITY	RESPONSIBILITY
9:30am - 10:00am	Registration of Participants	ISODEC
10:00am - 10:45am	<b>SESSION 1: OPENING CEREMONY</b>	
	Welcome Address and Introduction of workshop	Mr. Bishop Akolgo
	Introduction of Chairperson	Facilitator- Dr. Steve Manteaw
	Introduction of Participants	Participants
	Chairman's Response	
10:45am -12:00am	<b>SESSION 2: FIRST PRESENTATION</b>	
	The Western Corridor Gas Infrastructure Project	Mr. Bernard Anaba
	Discussion	Participants
	Snack Break	Participants
12:00pm - 2:30 pm	<b>SESSION 3: SECOND PRESENTATION</b>	
	Transfer-Pricing In Commodities Import In Ghana Study	Mr. Bishop Akolgo
	Discussion	Participants
	Chairman's remarks	
	Closing	Facilitator- Dr. Steve Manteaw
	Lunch	Participants

## Annex II – List of Participant

S/N	NAME	ORGANIZATION	EMAIL ADDRESS	TELEPHONE
1	Doris Ablordey	Ghana News Agency	deeday8@gmail.com	0200660813
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32	Robert Marbel	ISODEC	Rmarbell2014@yahoo.com	0244295579

**Annex III- the Facilitator of the Workshop, Dr. Steve Manteaw introducing the chairman for the event.**



**Annex IV- the Chairman delivering his acceptance speech**



**Annex V- Mr. Bishop Akolgo, the Executive Director of ISODEC giving the welcome address.**



**Annex VI - Mr. Bernard Anaba, a policy analyst at ISODEC doing a presentation**



**Annex VII – A Session of Participants Listening to a Presentation.**



**Annex VIII – Ms. Eva Kouka, a representative from Ford Foundation making her comments about the workshop.**



**Annex IX - Mr. Briggs Bomba, a representative from TrustAfrica making his comments about the workshop.**



**Annex X – The Executive Director of ISODEC having some discussion with donor partners before the start of the workshop.**



**Annex XI - A Group Picture of Participants**

