



Impact of Digital Taxation on Digital Rights in Africa Workshop

July 8, 2021 | starting 10.00 SAST/11.00 EAT

Background

The Covid-19 pandemic has disrupted economies across the globe and has caused considerable harm to already economically strained states in the Sub-Saharan African region. The economic downturn has led to declining tax bases, which has, in turn, led to many tax authorities seeking new revenue streams. There have been growing concerns that the pandemic and its economic consequences would lead to social media taxes or some form of digital tax as one of the new revenue streams. With the rise in internet access and use in the region, as well as the increasing reliance on e-commerce services, digital taxes have become a target for many states. As the global economy becomes increasingly digital, tax rules need to adjust. But changing longstanding rules requires a multilateral and consensus-based solution. To that end, the Organisation for Economic Co-operation and Development (OECD) is working towards [supporting](#) countries as they seek to build a common understanding of the issues related to the digital economy and taxation. In contradiction to this goal, the African Tax Administration Forum (ATAF) is similarly [developing](#) a “suggested approach to drafting Digital Services Tax” that could be used by member countries as a toolkit for developing digital services tax laws and lead to a proliferation of new, disjointed unilateral tax measures.

Several countries - [Uganda](#), [Kenya](#), and [Tanzania](#) have differing forms of digital taxes and other forms of social media regulation, putting a strain on the growing digital economy in the region. It appears that a similar trend may be developing in other countries in the region.

- In South Africa, the [4IR Report](#) included recommendations for digital taxation. The South African Parliamentary Budget Office (PBO) has also [highlighted](#) the possibility of introducing a digital tax. Earlier this year a high-level panel on media ethics and credibility [released](#) the [report](#) which included a recommendation that the Department of Communications and Digital Technologies and Treasury should inquire into means of taxing the South African operations of Facebook, Amazon, Netflix, and Google so that a portion of the said tax revenue is channelled into supporting media diversity, whether through funding media pluralism or funding content diversity.
- Over the past few years there have been [discussions](#) and [concerns](#) around digital taxes in Zambia. The dire economic situation in Zambia, along with emerging trends in the region, may prompt further discussions around digital taxes.
- The Botswana Unified Revenue Service (BURS) indicated in early 2020 that it was [exploring](#) introducing a digital tax in Botswana due to a decrease in tax revenue though no action has been taken.

However, we note some positive developments as African countries adopt globally consistent regimes in line with best practices.

- Cameroonian authorities worked with non-resident service providers, including tech companies, to implement a VAT regime that provides necessary tax revenue to tax authorities while remaining workable for non-resident taxpayers.
- Similar VAT regimes were adopted in Kenya and Zimbabwe in 2020. Several more African countries are in the process – Egypt, Ghana, Nigeria.
- In 2020, Mauritius [introduced](#) a 15% VAT on digital services provided by non-resident companies to consumers based in Mauritius and is working to bring the regime in line with OECD best practice for electronic services VAT.

Workshop objectives

The Collaboration on International ICT Policy for East and Southern Africa (CIPESA) will convene a workshop on Thursday July 8, 2021 to unpack the trends in the region around digital taxes and debate the impact this may have on digital rights. The session will:

- Get insights from civil society actors on the implications of digital taxes on access to information and freedom of expression online.
- Discuss the link between tax revenue, internet users, and online platforms.
- Unpack the efforts and insights of the ICT regulators, tax authorities and regional bodies.

Participation

State and non-state stakeholders in the Southern African Development Community (SADC) and East African Community (EAC) regions.

Agenda

10.00-10.05 SAST **Welcome and purpose of the workshop**

11.00-11.05 EAT Ian Wafula, *BBC*

10.05-10.20 SAST **Presentation I**

11.05-11.20 EAT **Perceived myths that have led to calls to tax OTTs**

Prof. H Nwana, *Cenerva*

10.20-10.35 SAST **Presentation II**

11.20-11.35 EAT **Digital economy taxation: good taxation practices**

Dr. Christoph Stork, Research ICT Solutions

10.35-10.50 SAST **Q&A with Prof Nwana and Dr. Stork**

11.35-11.50 EAT Ian Wafula, *BBC*

10.50-11.30 SAST **Anecdotes:**

11.50-12.30 EAT **The impact of taxation on users and national ecosystems**

- Lessons from select African countries - Ashnah Kalembera, *CIPESA*
- Perspectives from technologists and innovators - Ron Kawamara, *Jumia Group*
- Navigating economic crises while ensuring digital rights are respected - Asha D. Abinallah, *Media Convergence*
- Navigating economic crises while ensuring digital rights are respected - Avani Singh, *Alt Advisory*

11.30-11.40 SAST

12.30-12.40 EAT **Break**

11.40-12.00 SAST **Presentation III**

12.40-13.00 EAT **Digital Economy Taxation: an OTT Player's Perspective**

Jacob Puhl, *Facebook*

12.00-12.40 SAST **Panel discussion:**

13.00-13.40 EAT **Balancing Revenue Streams, Rights and the Economy: the Role of Regulators, Tax Bodies and Regional Blocs.**

Moderator: Ian Wafula, *BBC*

Antony Chigaazira, *Independent* | Milly Isingoma, *Uganda Revenue Authority (URA)* | Dr. Peter Mwencha, *Consumer Unit & Trust Society, Africa Resource Centre* | Onica N. Makwakwa, *Alliance for, Affordable Internet (A4AI)* | James Madya, *Ministry of ICT, Postal and Courier Services, Zimbabwe*

12.40-12.55 SAST **Open discussion and recommendations**

13.40-13.55 EAT Ian Wafula, *BBC*

12.55-13.00 SAST **Next steps and closing**

13.55-14.00 EAT Asimwe John Ishabairu, *CIPESA*

Speaker Profiles



Asha D. Abinallah

Asha works at the intersection of innovation and technology in media practice, as a trainer and researcher. She is the Founder and CEO of Media Convergency, an ICT firm in Tanzania. She is an advocate for inclusive and safe digital spaces for youth and women, a passion which has been realised through her coordination of the Deutsche Welle funded Women@Web Tanzania initiative. Asha is also a protégé and founding member of JamiiForums where she spent nearly a decade, leading operations and programmes. She is an alumni of the Mandela Washington Fellowship, University of Austin in Texas and Swedish Institute Management Program Africa (SIMP).



Antony Marufu Chigaazira

Known in the ICT sector simply as Tony, he recently set up a consultancy in regulatory affairs. He is the immediate past Executive Secretary of the Communications Regulators Association (CRASA), based in Gaborone Botswana. CRASA is a consultative forum of communications regulators in Southern Africa that was set up in 1997 within the framework of the Southern Africa Development Community (SADC) Protocol on Transport, Communications and Meteorology. It pursues the SADC goals of regional integration and economic growth through the promotion of accelerated development of the communications sector. Tony served CRASA from June 2013 to May 2021. He was responsible for development of model regulatory frameworks and their harmonisation for the benefit of thirteen Southern African States. He was also charged with building the region's regulatory capacity.

With extensive experience in the Communications in both line function and consultancy services, Tony has project managed assignments in the private, state enterprises and multilateral intuitions. He understands the ICT ecosystem and in particular the role of regulators and industry players in the digital era. He has worked tirelessly to increase regulatory understanding of new ICT concepts and digital technologies such as 5G, Big Data, Cloud Storage, IoTs and OTTs. In addition, he has been actively lobbying the region's political principals concerning taxes and surcharges in ICT services.

Previously he was the Commercial Director for TelOne, the incumbent fixed network telecommunication operator in Zimbabwe. He holds an MBA and an BSc Economics Honours Degree, Certificate in Project Management and several diplomas and other ICT and banking related professional qualifications.



Asimwe John Ishabairu

Asimwe works as the Engagement Officer at CIPESA. She has over 10 year's track record as an advocacy specialist in various sectors including parliamentary democracy, governance, accountability, electoral processes, humanitarian and human Rights. She has been involved in analyzing policy gaps and advocating for the implementation of the Access to Information Act, 2015 in Uganda – specifically, consideration of access to information reports in the Rules of Procedure of Parliament. She has successfully organized a number of multi-stakeholders engagements on different thematic areas under the auspices of USAID, the National Endowment for Democracy (NED), the Democratic

Governance Facility (DGF) and Diakonia, among others. Prior to joining CIPESA, she worked at the Africa Freedom of Information Centre (AFIC) as Senior Programme Officer, Advocacy, Research and Governance. She holds qualifications from the Geneva Academy, Switzerland, Uganda Technology and Management University and Nkumba University.



Milly Nalukwago Isingoma

Mily is the Assistant Commissioner, Research Planning and Development at the Uganda Revenue Authority (URA). She holds a Bachelor of Statistics, Masters in Quantitative Economics and is pursuing Masters in Institutional Management and Leadership. Mills has over 25 years experience in tax administration in Uganda. She is the Head of Uganda Delegation to the East Africa Revenue Authorities Technical Forum and the Chief Editor of the EAC Regional Comparative Report and the EAC Tax Compendium Report. She is an Advisor at the Africa Tax Administration Forum on Africa Tax Outlook and Member of Board and Researcher at the ICTD and UNUWider. Milly is TADAT Assessor and Short term expert with the International Monetary Fund (IMF).



Ashnah Kalemra

Ashnah works as a Programme Manager at CIPESA. She coordinates multi-country projects promoting the use of ICT in democratic processes and for citizen participation, including training for citizen journalists, mainstream media and government officials. She holds an MSc in Informatics with a major in Electronic Government (Örebro University, Sweden) and a BSc in Computer and Management Sciences (University of Warwick, United Kingdom), and has work experience from Spain, UK, and various African countries. She currently serves on the Advisory Board of Global Partners Digital.



Ron Kawamara

Ron Joined Jumia in 2014 as Country Manager for Jumia Food in Uganda. Since then, Ron has taken up more responsibilities in Jumia, managing Jumia Food operations across East Africa until 2018. He is currently the Chief Executive Officer (CEO) of Jumia Uganda. Prior to Jumia, Ron worked for People Connect, a startup in the San Francisco Bay Area (USA) as a Business Development Manager. Ron holds an MSc Degree in African Development Studies from Oxford University (UK) and a Bachelor's degree in Political Science from the University of California, Berkeley (USA).



James Mutandwa Madya

James is the Deputy Director, Policy and Strategic Planning, at the Ministry of ICT, Postal and Courier Services - Zimbabwe. He holds a Master of Science Degree in Rural and Urban Planning from the University of Zimbabwe. He has a varied career spanning 27 years ranging from development/project planning; road freight transport management; aviation management; and policy formulation and analysis in the housing, logistics and transport, and ICT sectors of Zimbabwe.



Onica N. Makwakwa

Onica is the Alliance for Affordable Internet (A4AI)'s Africa Regional Coordinator and works to develop effective collaborations across stakeholders in Africa. She is an experienced advocacy, fundraising, and management professional with over 20 years' experience in the nonprofit sector spanning various national and international organisations. Previously, she was the Head of Office for Africa for Consumers International where she worked with over 50 consumer organisations on several issues including digital consumers' rights.



Dr. Peter Mwencha

Dr. Mwencha is a Director, Consumer Unity & Trust Society – Africa Resource Centre (CUTS-ARC), a centrist international think-tank, that champions consumer welfare issues within the framework of social justice, economic equality and sustainable development, within and across borders. Dr. Mwencha has more than 15 years of wide-ranging experience at institutional, national and regional levels and is passionate about advancing public interest issues through evidence-based research and policy advocacy in the areas of digital economy, economic regulation, and consumer protection. Dr. Mwencha currently serves as an Assistant Professor in the School of Business at the American International University (AIU) in Kuwait.



Prof H Sama Nwana

Prof H is Managing Partner of Cenerva, a boutique training-led consultancy on technology, media and telecommunications regulation across emerging markets, based in London, United Kingdom (UK). He is a regular speaker across Africa, Americas, Europe and Asia, and has consulted/trained for the likes of Facebook, Microsoft, ICASA, the World Bank and MTN. Being African, he is passionate about connecting Africa's millions of unconnected through a combination of entrepreneurial, commercial, regulatory and policy instruments. Prof H was group director at Ofcom, where he ran the UK's Spectrum Policy. He oversaw the UK 4G auction, 3G liberalisation as well as the

implementation of the UK Digital Switchover Policy programme. He was founding CEO of the Dynamic Spectrum Alliance (2014-16). He was MD/DG at Arqiva (2005-09) and prior to that was MD/DG at Quadriga Worldwide (2001-2004). He was also a VC investor for a short time and is a lapsed university academic too. He was a senior manager at BT. He is full visiting professor at the University of Strathclyde (UK) and other higher institutes. Prof H has published an authoritative book entitled Telecommunications, Media & Technology (TMT) for Emerging Economies: How to make TMT Improve Developing Economies for the 2020s, published in April 2014. His company, Cenerva, recently acquired Interconnect Communications (ICC) Training/TRMC (Telecoms Regulatory Master Class) assets, which are based in Bath, UK (www.icc-uk.com). Prof H and Cenerva are trusted trainers of regulators/operators across the globe.



Jacob Puhl

Jacob is a Manager of Tax Policy at Facebook, currently leading Tax Policy for the Middle East and Africa. Based in Washington, DC, he serves as a liaison between business lines and tax functions to remove friction and anticipate challenges. His portfolio spans the globe and touches issues from U.S. indirect taxes to the ongoing international tax discussion at the OECD. Before Facebook, Jacob was a Manager at Deloitte's Washington National Tax practice focusing primarily on US Federal tax policy. He contributed to weekly legislative updates for clients as well as advised foreign entities and embassies on U.S. policy matters. Before Deloitte, Jacob served as a legal intern at the U.S. Treasury Department, in the Office of the International Tax Counsel. Jacob was also a law clerk with the tax

team for the Senate Finance Committee. Jacob received his LL.M. in Taxation from Georgetown University Law Center, his J.D. from Ohio State University, and his B.A. in Economics from University of Maryland – Baltimore County.



Avani Singh

Avani works as Director, Attorney and Practice Lead: Information Rights and Data Privacy at Alt Advisory. She is an Attorney of the High Court of South Africa (with Right of Appearance) and a member of the Legal Practice Council. She holds B.Comm. and LL.B. degrees from the University of Pretoria. Avani focuses on public law, information rights and media law, data privacy, and electoral law at the domestic, regional, and international levels, with a particular interest in advising clients in the areas of freedom of expression, online regulation, and privacy in Africa. Avani is also a director and co-founder of Power Singh Inc. (2018-), serves as a member of the Appeals Committee of the Advertising

Regulatory Board, and is a member of the Executive Board of the Interactive Advertising Bureau of South Africa.

Before forming ALT Advisory, Avani practised media law at Webber Wentzel (2011-14) and public law at the Legal Resources Centre (2014-17), and she clerked at the Constitutional Court of South African (2010, Justice Thembile Skweyiya) and the International Criminal Court (2013, Judge Chile Eboe-Osuji). Avani has represented clients before various courts and tribunals, including media complaints mechanisms, in South Africa and she has appeared before the African Commission on Human and Peoples' Rights and the United Nations Human Rights Committee.



Dr. Christoph Stork

Dr. Stork is a telecommunication and digital infrastructure expert that specialises in applied, innovative solutions to connect everyone to the Internet. Dr. Stork developed ICT ecosystem benchmarking tools and regulatory portals that transform operator, GIS and population data into actionable regulatory information. He has supported ICT regulators in Africa and Asia with cost modelling, determining termination rates, retail price interventions, designing broadband policies, universal service fund projects, and defining markets and declaring dominance. He has also designed and managed nationally representative ICT household and SME surveys across up to 18 African countries simultaneously.



Moderator

Ian Wafula, BBC Broadcast Journalist and Founder Heal The Web



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