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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA AND THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) HOST NATIONAL WORKSHOP ON ILLICIT FINANCIAL FLOWS

1. The Bank of Namibia (BoN), in its capacity as the secretariat of the National Technical Working Group (TWG) on Illicit Financial Flows (IFFs), in collaboration with the United Nations Conference on Trade and Development (UNCTAD), successfully conducted a three-day workshop and training session focused on the measurement, response and mitigation of IFFs through the implementation of effective policies.
2. The workshop, which concluded on Friday, 17 May 2024, convened members of the TWG, including key government offices, ministries and agencies as well as non-state representatives such as statisticians, economists, policymakers, development experts and trade experts, with the objective of aligning Namibia's strategy to address IFFs.
3. The TWG, composed of 14 member institutions, is tasked with the collection of data and addressing tax and commercial malpractices, financial crime, fraud and corruption. The member institutions include the Bank of Namibia, Namibia Revenue Agency, Anti-Corruption Commission, Namibian Competition Commission, Business and Intellectual Property Authority, Ministry of Industrialisation and Trade, Financial Intelligence Centre, Namibian Police Force, Namibia Financial Institutions Supervisory Authority, Office of the Prosecutor-General, Namibia Statistics Agency, Ministry of Finance and Public Enterprises, Ministry of Mines and Energy, and the Namibia United Nations Office.
4. Since 2018, the TWG, under the guidance of the Bank of Namibia, has actively pursued an understanding of IFFs, uncovering over N\$1 billion in fraud related to clearing and customs. This workshop thus forms a part of a new initiative led by UNCTAD, in cooperation with the Bank of Namibia, to estimate the volume of illicit financial flows into and out of Namibia. These estimates are intended to inform and enhance policy

measures, whether through the reinforcement of existing frameworks or the development of new legislative amendments.

5. During the workshop, Chairperson of the TWG on IFFs and Deputy Director for Exchange Control at the Bank of Namibia, Ms Penelao Kapenda added that the fight against IFFs is neither for the timid nor the fearful. She encouraged the members of the TWG to seek assistance and be set for nation building. “With the support of the international community, let us build the necessary capacity and identify the drivers of IFFs using refined and additional methodologies. We must be diligent leaders who influence policy changes for our generation and enable the State, under the Namibian Constitution, to enact, administer and enforce laws effectively, ensuring the recovery of Africa's stolen assets through IFFs.”
6. Also speaking at the opening, Statistician at UNCTAD, Mr Bojan Nastav noted that IFFs thrive in chaos, but can be addressed reasonably through cooperation, communication between national agencies, international agencies and countries, as well as through strong political will. He commended Namibia for involving the Deputy Minister of Finance and Public Enterprises, noting that it shows commitment by the Namibian Government to addressing IFFs.
7. As part of the workshop outcomes and future work, the TWG will be equipped to measure tax and commercial IFFs, identify policy gaps and develop further estimation and policy recommendations. These efforts will align with the project timeline to ensure the sustained and comprehensive action against IFFs.
8. Illicit financial flows, as defined by the International Monetary Fund (IMF), involve the cross-border movement of money that is illegal in its origin (e.g. corruption, smuggling), its transfer (e.g. tax evasion) or its use (e.g. terrorist financing). Such flows can greatly impact a country's socio-political and economic stability, as well as the integrity of the global financial system, by depleting foreign exchange reserves, diminishing tax revenues and reducing government income.
9. Over the past three (3) years, Namibia’s import and export bills amounted to N\$361 billion and N\$267 billion, respectively, reflecting a combined trade volume of N\$682 billion and revealing the country’s integration into the global economy and its participation in international value chains. In her keynote address, Deputy Minister of Finance and Public

Enterprises, Hon. Maureen Hinda-Mbuende acknowledged the positive record of global connectivity but raised pertinent questions:

- a. To what extent was this trade conducted under fair market practices?
- b. Were appropriate taxes paid on the exports and imports of these goods?
- c. Were these goods traded at accurate prices?
- d. Were any financial oversight regulations breached during this trading?

Hon. Hinda-Mbuende stressed that if the answers to these questions are negative, Namibia must intensify efforts to measure and combat the pervasive issue of IFFs associated with international trade.

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