GUIDE

Implementing an Effective High-Net-Worth Individual Taxation Regime in Africa

AFRICAN TAX ADMINISTRATION FORUM
FORUM SUR L'ADMINISTRATION FISCALE AFRICAINE

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List of Acronyms and Abbreviations

AEOI	Automatic Exchange of Information
AML	Anti Money Laundering
ASYCUDA	Automated Systems for Customs Data
ATAF	African Tax Administration Forum
ATO	Australian Taxation Office
DGI	Direction Générale des Impôts
DRM	Domestic Resource Mobilisation
DTAs	Double Taxation Agreements
EOI	Exchange of Information
EOIR	Exchange of Information on Request
HMRC	His Majesty's Revenue and Customs
HNWI	High Net Worth Individuals
KRA	Kenya Revenue Authority
LTO	Large Taxpayers Office
NIF	Numéro d'Identification Fiscale
NIN	National Identification Number
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay As You Earn
PIT	Personal Income Taxes
SARS	South African Revenue Service
TADAT	Tax Administration Diagnostic Assessment Tool
TRA	Tanzania Revenue Authority
URA	Uganda Revenue Authority
VIPs	Very Important Persons
WHT	Withholding Tax

About the Guide

This Guide has been developed to support African tax administrations in strengthening the taxation of HNWIs. It draws on evidence from primary research conducted across nine African countries—Algeria, Eswatini, Kenya, South Africa, Tanzania, Togo, Uganda, Zambia and Zimbabwe—as well as insights from available literature and international practice. In addition, it benefited from the technical expertise of ATAF, its technical committees, and the practical experiences of member countries that have already begun implementing initiatives on taxing HNWIs.

The guide is designed as a practical resource that combines research evidence, peer learning, and expert knowledge. It reflects African realities while also connecting to global debates on equity and fairness in taxation. The aim is not only to provide recommendations, but to equip tax administrations with practical approaches that can be adapted to their national contexts.

The Guide is structured into nine sections. Section 1 provides introduction and background to the Guide. In Section 2, we define who a HNWI is in an African setting, taking into account the specific economic, demographic, and institutional characteristics of the continent. Section 3 focuses on the legal framework, outlining the minimum provisions and reforms required to strengthen taxation of HNWIs. Section 4 sets out the tax administration framework, including the establishment of dedicated HNWIs offices, staffing, registers of potential HNWIs, and mechanisms for collaboration across units and institutions. Section 5 explores the required data and the effective use of information, emphasizing both internal and external datasets for building comprehensive taxpayer profiles. Section 6 turns to automation of IT systems and integration, highlighting the importance of linking internal modules and external government systems to improve efficiency and compliance monitoring. Section 7 discusses the key stakeholders to be engaged for effective taxation of HNWIs. Section 8 examines the political dynamics of taxing HNWIs, outlining strategies for securing political support and managing sensitivities around politically exposed persons. Finally, Section 9 concludes the Guide and proposes next steps for African tax administrations seeking to strengthen fairness and effectiveness in taxing HNWIs.

Taken together, this Guide is intended to serve both as a reference document for policymakers and as a practical toolkit for tax administrators, offering structured pathways to improve the identification, monitoring, and taxation of HNWIs in Africa.

1. Introduction

1.1 Background to the Guide

The taxation of High-Net-Worth Individuals (HNWIs) has become an increasingly important topic in tax debates globally. Acknowledging that these individuals rarely contribute their fair share in taxes, governments around the world are putting in place systems to bring HNWIs into the tax net and to tackle tax-reduction practices such as aggressive tax planning, as well as enhance fairness and equity in the payment of taxes. The need to strengthen domestic resource mobilisation (DRM) became even more urgent following the COVID-19 pandemic, which saw many governments increase public expenditure on health and social protection while experiencing revenue shortfalls due to tax reliefs extended to struggling businesses (Kangave, Occhiali and Kamara, 2023). In this context, improving overall tax compliance became a key priority for many countries. Within these broader DRM efforts, enhancing the tax compliance of HNWIs has gained particular importance given their potential to contribute significantly to revenue mobilisation.

Since then, there have been multiple calls to tax HNWIs, with some countries setting up specialized units to oversee the taxation of HNWIs, others introducing surcharges on wealth, others introducing or proposing the introduction of wealth taxes and many more expressing a keen interest in introducing measures to scrutinize the tax affairs of these individuals. In Africa, South Africa, Uganda, Eswatini, Ghana, Kenya, Mauritius, and Uganda have structures in place for taxing HNWIs (ATAF, 2020; ATAF 2025). Recently, Tanzania, Togo and Zambia have also set up units for taxing high-net-worth individuals. The demand for technical assistance in this area has further increased, with the African Tax Administration Forum (ATAF) having supported close to 10 tax administrations in Africa, while requests for support continue to increase.

In Africa, wealthy individuals contribute very little to tax revenues, and many of them are, in fact, often not even on tax registers. To begin with, only approximately 5% of Africa's employed adult population pays Personal Income Taxes (PIT), when compared to approximately 50% in high-income countries (Moore, Prichard and Fjeldstad, 2018, pp132). Worse still, the majority of PIT is collected from individuals in formal employment, who contribute over 90% of the PIT in a number of African countries, meaning that only around 10% of the PIT base is attributable to non-employment income such as capital gains, investment and rental income and so on. This suggests that significant income and wealth outside formal employment remain largely untaxed. In addition, the very high reliance on PAYE to collect PIT (as per Figure 1 below) suggests there may be structural reasons that this part of the potential tax base is not being captured. Thus, there is an urgent need to ensure that HNWIs are taxed, not only for purposes of raising more revenues, but also for ensuring that the tax system is more equitable.

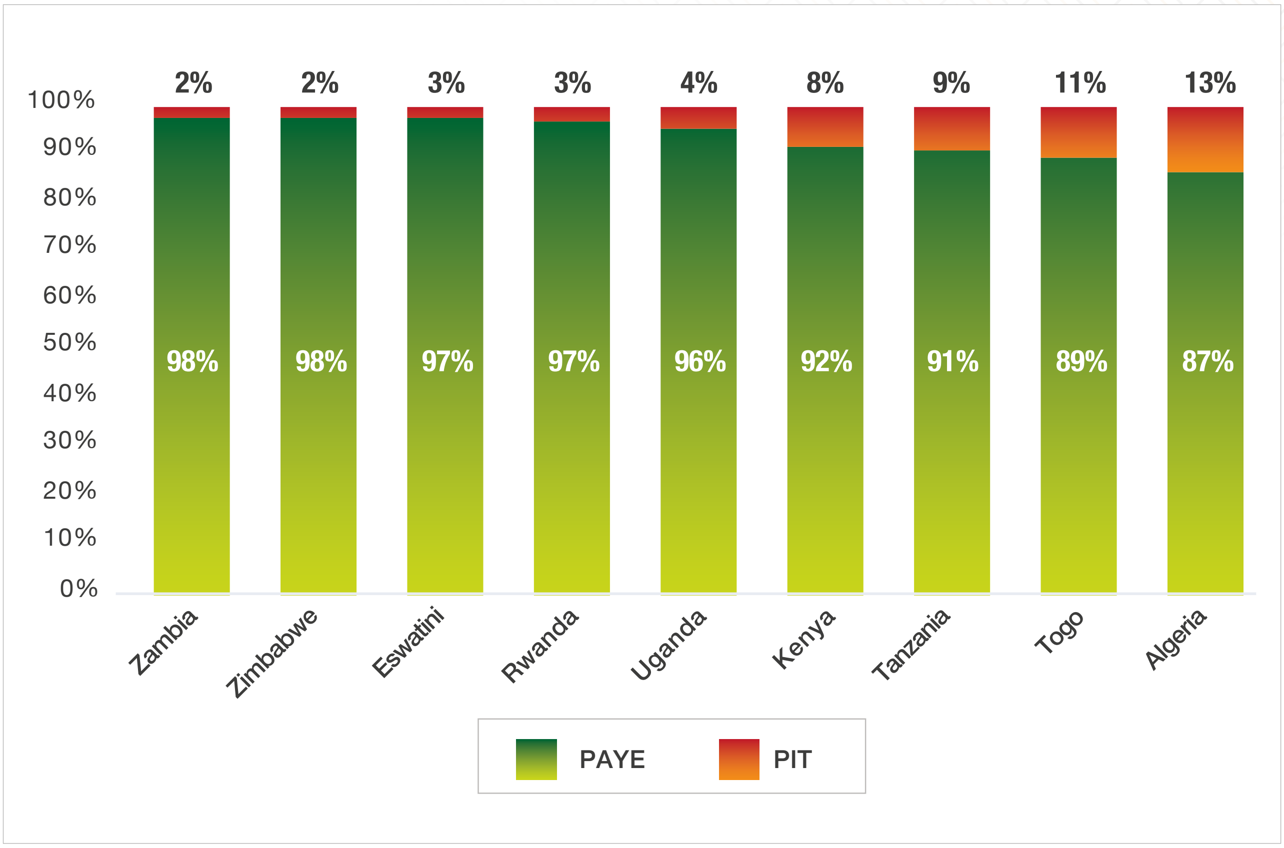

Figure 1: PAYE and Individual Tax Contributions to Total PIT Collections

Source: Authors' calculations from tax administration databases that participated in the study and available literature[1]

Acknowledging the need to support African countries in boosting domestic revenue collections, in July 2023, the African Tax Administration Forum (ATAF) sent out a call for its member countries to express interest in participating in a study to assess the feasibility of taxing HNWIs in their jurisdictions. Ten countries expressed interest: Algeria, Eswatini, Lesotho, Kenya, South Africa, Tanzania, Uganda, Zambia, Zimbabwe, Togo and Burkina Faso[2]. These countries are at different stages in their taxation of HNWIs journey, with some already having established HNWIs units (Kenya, Uganda, and South Africa and, more recently in October 2024, Tanzania), others having some framework on the tax affairs of HNWIs (Algeria and Eswatini), while others have taken preliminary measures to address this issue (Zambia and Togo).

1 *Uganda figures do not include withholding taxes*

2 *In country missions have not been completed yet for Burkina Faso*

2. Defining a High-Net-Worth Individual in the African Context

2.1 Global Perspectives

Globally, there is no single, universally accepted definition of a HNWI for tax purposes. Different jurisdictions apply varying criteria depending on data availability, policy objectives, and institutional capacity. For example, the Australian Taxation Office (ATO) pioneered efforts in 1996 by targeting executives and directors of companies earning over AUD 1 million (approximately USD 684,000), later expanding to individuals and groups with net worth exceeding AUD 5 million (approximately USD 3.4 million) (OECD, 2009). The United Kingdom originally used a net worth of GBP 20 million (approximately USD 27 million) —later reduced to GBP 10 million (approximately USD 13.5 million) —as its threshold (National Audit Office, 2016). Wealth reports from various firms commonly define the HNWI group using a threshold of at least USD 1 million in financial or investable assets, or wealth under their control (OECD: 2009:17). If the individuals control USD 3 million - USD 30 million or more in financial assets, they are defined as ultra-high wealth individuals. (ibid).

These examples highlight two important lessons: first, that definitions evolve over time as data improves; and second, that focusing exclusively on a single net worth threshold may not always be practical—especially in contexts where reliable wealth data is limited.

2.2 Challenges in the African Context

Our research across nine African countries—Algeria, Eswatini, Kenya, South Africa, Tanzania, Togo, Uganda, Zambia and Zimbabwe[3]—confirms that relying solely on net worth is not feasible in most cases. Tax administrations in Africa face several challenges:

- Limited automation and integration: Many registries (e.g. assets, company ownership, real property) remain manual or poorly integrated, making it difficult to compile accurate wealth information.
- Restricted access to financial data: Bank secrecy laws and limited third-party reporting constrain the ability of tax administrations to determine individuals' true wealth.
- High levels of informality: Some wealthy individuals derive income from unrecorded or partially recorded activities, including trade, agriculture, or cross-border transactions.
- Currency instability: In some countries, inflation and exchange rate volatility (e.g., Zimbabwe) make it impractical to set static thresholds in monetary terms.

As a result, what is feasible for most African tax administrations is to use multi-parameter approaches, relying on a combination of indicators rather than a single threshold.

3 By the time the first draft of the Guide was produced, in-country missions had not yet taken place in Burkina Faso and Lesotho, although expressions of interest had been processed.

2.3 Emerging African Approaches

The South African Revenue Service (SARS) does not apply a strict monetary threshold to define "High Wealth Individuals." Instead, classification is based on characteristics such as control of complex business structures, use of trusts, and ownership of multiple assets. Nonetheless, SARS' internal segmentation frequently regards individuals with an estimated net wealth of around ZAR 75 million (approximately USD 4 million) or more as part of the high-wealth category (SARS, 2021)

Countries such as Uganda and Kenya provide useful models for many African countries. The URA uses a classification system of core and non-core parameters. A single core parameter (e.g., shareholding in a large company, ownership of high-value property, significant rental income, or major land transactions) is sufficient for classification as a HNWI, while non-core parameters (e.g., ownership of luxury vehicles, high-value imports, or being publicly known as wealthy) require at least two indicators. Similarly, the KRA developed a Premier Tax Office framework with multiple indicators—including income, rental earnings, professional fees, and asset ownership—though practical application has been limited by data constraints.

The ATAF research findings from other participating countries indicated similar wealth indicators to those used in Uganda and Kenya, with common parameters such as shareholding in a large company, ownership of high-value property, significant rental income, or major land transactions and real estate, as well as the possession of luxury goods including jewellery, vehicles, or aircraft. Wealth is also frequently linked to large-scale commercial farming, consultancy services, and participation in government or corporate tenders. In several contexts, the accumulation of wealth through political positions emerged as a common feature. Finally, earnings from informal activities and illicit trade—although difficult to quantify—were repeatedly highlighted as important contributors to hidden or underreported wealth in some jurisdictions.

2.4 A Practical Definition for Africa

Drawing on this collective experience, defining a HNWI in Africa for tax purposes should be informed by various indicators.

Below, we provide a set of indicators that tax administrations across the continent can effectively utilise to identify and develop potential HNWIs registers. These indicators are grouped into core and non-core categories. Each core indicator, on its own, is sufficient for an individual to be categorised as an HNWI, while for non-core indicators, an individual would need to meet at least two or three criteria to qualify. The distinction between core and non-core indicators recognises that those "core" data points are highly likely to point to a person being a HNWI. On the other hand, for non-core indicators, one element alone could be explained by reasons other than wealth, but when put together with corroborating indicators, together they can indicate a high risk of HNWI status. Collectively, these indicators provide critical entry points for profiling wealthy individuals, improving risk assessment, and strengthening compliance management strategies.

We describe the indicators below:

a) Corporate Control and Beneficial Ownership (Core)

One of the most reliable indicators of wealth is the ownership and control of large companies and other income-generating entities. In most African contexts, individuals who are directors, partners, or major shareholders in large or multiple medium-sized companies form part of the wealthiest segments of society. Their positions reflect both influence over corporate decision-making and direct access to business profits, dividends, capital gains, and retained earnings.

A practical starting point for defining and profiling HNWIs is therefore to include directors, shareholders, partners, and other top executives of companies managed by the Large Taxpayer Office (LTO). These individuals typically represent the upper tier of the income and wealth spectrum. As noted earlier, the Australian Tax Office (ATO) began its HNWI programme with this group, and similarly, Uganda and Kenya considered company executives and beneficial owners under their LTOs as the first priority group.

In addition, tax administrations could extend the criteria to include individuals who are directors or shareholders in more than five medium-sized companies under the Medium Taxpayers' Office. Such individuals are likely to possess multiple income streams and exercise significant control across enterprises, placing them firmly within the high-wealth category.

Identifying these indicators should include not only the legal ownership or control but also the beneficial ownership—that is, individuals who ultimately own or control a company and are therefore in a position to derive financial benefit from it. Beneficial ownership data can be objectively verified through company registries, beneficial ownership databases, or tax return disclosures, making this domain one of the most reliable entry points for building an HNWI register.

b) Income and Business Turnover (Core)

Income and business turnover are among the most direct and measurable indicators of wealth. Individuals with high and sustained levels of personal income, professional earnings, or own businesses with significant turnover typically occupy the upper end of the income distribution and are therefore strong candidates for inclusion in the HNWI register.

African Tax Administrations can leverage annual income tax returns to identify individuals whose declared turnover or taxable income consistently falls within the top ranges i.e. exceeds certain absolute monetary thresholds considered by the Tax Administration as high. High and stable income over several years (such as 3-4 years) indicates both earning capacity and liquidity, which are key predictors of accumulated wealth.

This category includes professionals such as doctors, lawyers, engineers, consultants, and contractors whose declared professional income is significantly above national averages. It also covers sole proprietors and business owners whose reported turnover places them in the highest bands of the business income tax register.

Such information can be obtained from personal income tax (PIT) returns and withholding tax declarations. However, considering the high level of under-declaration, as observed in different country cases studies, it is critical to obtain third party data from other data sources including financial statements of the relevant companies or other entities, data from the paying institutions, professional bodies or licensing bodies. Regular analysis of these data sources enables tax administrations to detect under-declaration and to continuously update their pool of potential HNWIs.

c) Real Estate and Rental Holdings (Core)

Ownership of multiple, prime, or high-value properties, as well as the receipt of substantial rental income or engagement in frequent high-value property transactions, is one of the most visible and verifiable signs of accumulated wealth. In most African countries, real estate serves as a traditional store of wealth and a reliable reflection of long-term wealth accumulation. For this reason, property-related indicators are considered core in identifying HNWIs.

Individuals who own several residential or commercial properties—particularly in urban or low-density zones—or who consistently earn significant rental income, are likely to fall within the HNWI category. In addition, those involved in repeated property acquisitions or transfers over a short period may also signal high levels of wealth or investment activity.

Tax administrations can verify this information through land and cadastre registries, stamp duty or property transfer tax records, and rental income declarations. Cross-matching these datasets with personal income tax (PIT) returns enables authorities to identify discrepancies between declared income and property ownership patterns, a common red flag in HNWI risk profiling.

Practically, administrations may start by mapping individuals who own multiple prime properties in major cities or resort areas, or who appear frequently in high-value property transactions. Such analysis provides an effective entry point for profiling HNWIs and strengthening property-related compliance.

d) Wealth Tax Register (Core)

In countries where a net wealth tax or similar levy (such as a solidarity tax or capital holdings tax) is in force, individuals who are already registered under such regimes provide a natural starting point for identifying HNWIs. The existence of a wealth tax register gives tax administrations an official list of persons whose net assets exceed statutory thresholds, thereby offering an immediate and legally grounded benchmark for defining the high-wealth population.

These individuals typically possess diversified asset portfolios—including real estate, equity holdings, movable assets, and financial investments—that collectively exceed the national wealth tax exemption limits. The data captured in the wealth tax register can therefore serve not only as a direct input into the HNWI register but also as a verification mechanism for other indicators, such as property ownership and business control.

Information from wealth tax assessments and declarations can be cross-matched with PIT returns, property registries, and beneficial ownership data to assess consistency between declared income and asset accumulation. This cross-validation enhances the reliability of profiling and strengthens compliance monitoring.

e) Banking and Financial Investments (Core)

Engagement in large-scale financial transactions or ownership of substantial financial assets and investments provides one of the clearest indicators of wealth. Individuals who maintain high-value bank balances, receive large financial inflows and outflows, or hold significant portfolios of treasury bills, bonds, or other capital market instruments typically demonstrate strong financial capacity and liquidity.

Similarly, access to large credit facilities or loans can also serve as a proxy for wealth. In most financial systems, substantial borrowing is extended only to clients who can provide collateral of commensurate value, such as real estate, shares, or other tangible assets. The existence of such loans therefore indirectly points to the presence of valuable underlying assets and solid banking relationships.

f) Large Importers and Exporters (Non-core)

Participation in high-value international trade is a strong indicator of financial capacity and business influence. Individuals who consistently engage in imports or exports exceeding, say USD 100,000 annually over a period of at least three years—in their own individual capacity—are likely to fall within the high-wealth segment. Such consistency in trade activity signals access to significant capital, foreign currency, and business networks that are often associated with wealth accumulation.

Tax administrations can identify these individuals by analysing data from customs systems (such as ASYCUDA), which record import and export values linked to taxpayer identification numbers (TINs). Cross-referencing this information with personal income tax (PIT) or business turnover records can reveal individuals whose trade volumes substantially exceed their declared incomes.

Although not all traders may qualify as HNWIs—since many operate through company structures—those conducting high-value cross-border trade under their personal TINs provide a credible proxy for potential wealth. Setting such quantitative thresholds allows revenue authorities to systematically flag and profile these individuals for inclusion in the HNWI register.

g) Government Suppliers and Contractors (Non-core)

Government agencies are often among the largest consumers in an economy, making public procurement a key channel through which significant private wealth is accumulated. Interviews conducted in several countries identified individuals who regularly win large government tenders or supply contracts as an important group for consideration when profiling HNWIs. Such individuals often amass substantial wealth through repeated access to lucrative public contracts, particularly where these contracts are of high monetary value or extend across multiple fiscal years.

Although not all government suppliers will qualify as HNWIs, those with repeated high-value contract awards or ownership (including beneficial ownership) in several contracting entities are likely to belong to the upper wealth segment.

h) Luxury Assets and High-Expenditure Lifestyles (Non-core)

In many African countries, where income is often difficult to trace, expenditure patterns can serve as credible proxies for identifying wealthy individuals. Ownership of luxury assets such as high-value vehicles, yachts, or private aircraft combined with high levels of personal spending on lifestyle choices can reveal significant disposable income and accumulated wealth.

Wealthy individuals often exhibit similar consumption patterns: living in low-density residential areas, sending their children to elite schools abroad, holding memberships at exclusive clubs, or frequently travelling internationally for leisure. Such lifestyles signal substantial financial capacity and liquidity.

Tax administrations can verify this information through motor-vehicle registries, customs import data, civil aviation and maritime authorities, and, where lawful, exchange control or travel records. Publicly available sources such as media coverage, lifestyle magazines, and social media may also provide useful leads.

While this domain is classified as a non-core indicator, it is important to recognise that some luxury assets such as ownership of a private aircraft, yacht, or a fleet of high-value vehicles may, in certain country contexts, serve as strong enough indicators to qualify as core on their own. Tax Administrations should therefore apply judgment and consider national wealth profiles when determining the relative weight of specific luxury assets.

i) Public Profile and Influence (Non-core)

In many African countries, certain individuals are publicly known to be wealthy. These include high ranking political leaders, senior public officials, religious figures, business magnates, and social influencers whose lifestyles clearly reflect substantial financial means. Such individuals are often recognised by society for owning luxury properties, high-end vehicles, or businesses, even though their sources of wealth may not be fully known.

During interviews, some officials cautioned that tax administrations should not equate HNWIs with Politically Exposed Persons (PEPs), noting that one can be a PEP without necessarily being wealthy. We agree with this observation. There are many HNWIs who are not politically exposed persons. At the same time, with a few exceptions, almost all interviewees mentioned ““politicians” or “public officials” or “politically exposed persons” among the wealthiest individuals in their countries.

Public visibility alone does not confirm an individual’s wealth status, but it provides an important starting point for verification. Integrating this domain into the broader HNWI profiling framework enhances risk-based compliance management and ensures that visibly affluent individuals are appropriately captured within the tax net, while maintaining fairness, transparency, and sensitivity to political context.

j) Sectoral Wealth (Non-core)

In addition to traditional indicators such as real estate, financial investments, and lifestyle factors, administrations should also consider sector-specific sources of wealth that dominate their economies. The key sectors vary widely across African countries and may include extractive industries (mining, oil, and gas), gaming and sports betting, commercial agriculture, telecommunications, financial services, manufacturing, or even emerging and informal sectors such as trade in high-value commodities like jewellery, precious metals, gemstones, or illicit commodities such as marijuana and narcotic drugs.

Similarly, individuals who hold licences or concessions to operate in capital-intensive and highly regulated sectors such as aviation, maritime transport, mining, or mobile network operations should also be considered, as these licences often reflect access to significant economic opportunities and potential wealth.

Gaming and sports betting also warrant attention, as in some countries they serve as channels for concealing or legitimising illicit income through falsified winnings or manipulation of betting systems. In several jurisdictions, individuals have accumulated or disguised significant wealth through ownership of gaming businesses, manipulation of betting systems, or false claims of winnings. Incorporating this indicator can assist tax administrations in tracing unexplained wealth and identifying possible tax evasion or money-laundering schemes.

k) Digital assets (crypto and virtual assets) Core/Non-core (country-decided):

In a few African jurisdictions, HNWIs increasingly hold digital assets such as cryptocurrencies, stablecoins, tokenised securities, or Non-Fungible Token (NFTs) and generate income from trading, staking, lending, mining, validation, or airdrops. Large or frequent on- and off-ramp transactions through banks or Virtual Asset Service Providers (VASPs), as well as significant crypto-related earnings, can indicate the presence of HNWIs.

Given the cross-border, decentralised, and pseudonymous nature of these assets, tax administrations in countries where crypto activity is material should treat it as a priority indicator when profiling HNWIs. They should also establish clear monetary thresholds and transaction-frequency criteria for including individuals with substantial digital asset activity on their HNWI registers.

Table 1 below summarises the different indicators.

Table 1: Indicators for Identifying HNWIs in Africa

Domain	Indicator	Typical Data Source(s)	Notes for Setting Thresholds	Core?
Corporate control & Beneficial Ownership	Directors/partners/ beneficial owners of large companies	Company registry/ beneficial ownership register; tax returns	Define 'large' by turnover/ asset band; use counts	Yes
	Multi-directorships in medium sized companies (e.g., >5)	Company registry/ beneficial ownership register; tax returns	Define 'medium' by turnover	Yes
Income (comprehensive)	High gross annual income	PIT returns; withholding data; professional councils	Use national income percentiles (e.g., top 1–2%) or absolute bands	Yes
	High business turnover (for individuals/sole proprietors)	Income tax returns;	Use top percentile of turnover or tax payable; multi-year stability filters	Yes
	High professional earnings (lawyers, doctors, contractors, etc.)	PIT returns; withholding data; professional bodies and councils	Use national income percentiles (e.g., top 1–2%) or absolute bands	Yes

Domain	Indicator	Typical Data Source(s)	Notes for Setting Thresholds	Core?
Rental/real estate	High rental income	Rental returns; land/cadastre; stamp duty/property transfer tax	Set bands for annual rental; number/value of properties; transaction values in 3–5 years	Yes
	Multiple properties	Rental returns; land/cadastre; stamp duty/property transfer tax	Set bands for annual rental; number/value of properties; transaction values in 3–5 years	Yes
	Prime/low-density holdings	Rental returns; land/cadastre; stamp duty/property transfer tax	Set bands for annual rental; number/value of properties; transaction values in 3–5 years	Yes
	Frequent high-value land transactions	Rental returns; land/cadastre; stamp duty/property transfer tax	Set bands for annual rental; number/value of properties; transaction values in 3–5 years	Yes
Wealth tax anchor	Registered wealth-tax payers (where in force)	Wealth tax register; assessments	Use statutory thresholds as the initial HNWI cohort	Yes
Banking & finance	Large bank transactions	Bank reports, (where lawful); central bank investor lists; tax returns; FIU reports	Use annual volume/peak balance bands	No
	Large loans/liabilities	Bank reports (where lawful); central bank investor lists; tax returns	Use 'large' loan/liability bands; investor ticket sizes	No
	Investors in T-bills/bonds	Bank reports (where lawful); central bank investor lists; tax returns	Use annual volume/peak balance bands; investor ticket sizes	No
	Capital markets investors	Bank reports (where lawful); central bank investor lists; tax returns	Use annual volume/peak balance bands; investor ticket sizes	No
Trade	Large importers/exporters (by value/volume)	Customs/ASYCUDA	Set annual import/export bands;	No
Tenders	Major government suppliers/tender winners	Government procurement/IFMIS; WHT	Set annual contract value bands; top supplier lists	No

Domain	Indicator	Typical Data Source(s)	Notes for Setting Thresholds	Core?
Luxury assets & High expenditure lifestyles	High-value vehicles,	Motor vehicle registry/ customs; lifestyle audits	Use asset value bands (local high-value thresholds) and counts (fleet size)	No
	Yachts/aircraft/ helicopters	Customs; civil aviation/ maritime; lifestyle audits	Use asset value bands (local high-value thresholds) and counts (fleet size)	Yes
	Private expenditures above national high-value bands (e.g., school fees abroad, luxury travel, high-end events)	Lifestyle audit sources; exchange control; travel data (where lawful)	Use basket thresholds (≥2–3 signals within 12 months) rather than single items	No
Public profile	Publicly known wealthy	Public records; media; social media; asset/ lifestyle audits	Use corroborated lifestyle indicators + minimum asset/ income signals; do not rely on status alone	No
	Influential figures (politicians, VIPs, religious leaders, influencers) with observable luxury assets/lifestyles	Public records; media; social media; asset/ lifestyle audits	Use corroborated lifestyle indicators + minimum asset/ income signals; do not rely on status alone	No
Sectoral wealth	Extractives (mining, gas, oil), gaming and sports betting, Commercial farming (hectares), telecom, financial etc	Line-ministry registries; concessions/licences; agri/land registries	Sector-specific cut-offs (e.g., ≥10,000 ha farms; mining rights etc)	Yes
Digital Assets	Crypto and virtual assets	Holdings or income from crypto trading, staking, lending, mining, or NFTs. Data from VASPs, banks, and FIUs where available.	Consider where crypto is material; flag individuals with holdings ≥ USD 50 000 or annual crypto transactions ≥ USD 250 000.	Depends

2.4.1 Thresholds and Practical Application

While the above indicators for identifying HNWIs are broadly similar across countries, the exact thresholds should be determined at the national level. Each country's economic context, data availability, and institutional capacity will influence where to set the cut-off points.

For example, in Uganda, URA uses parameters such as:

- shareholders in large taxpayer companies with an annual turnover of at least USD 14.3 million
- shareholders in medium taxpayer companies with turnover between USD 4.3 million and USD 14.3 million
- individuals earning annual rental income above USD 142,858
- land transactions worth over USD 285,715 within five years
- bank transactions exceeding USD 1 million a year or
- loans above USD 1.5 million in five years.

In Kenya, the KRA has adopted thresholds such as:

- gross annual income of at least USD 769,000
- annual rental income of USD 385,000
- professional earnings of USD 385,000 or more, and a net asset base of at least USD 3.8 million.

These figures are provided only as examples to illustrate possible approaches, and tax administrations are encouraged to establish thresholds that are appropriate to their circumstances.

Given the reality of data gaps in many African tax administrations, it may not be possible to apply all indicators simultaneously. A practical starting point is to rely on those parameters where data is available and progressively refine thresholds over time as more reliable data becomes accessible. This flexible approach ensures that HNWIs profiling is not delayed, while also leaving room for greater precision in the future.

It is equally important for tax administrations to triangulate indicators to minimise false positives. In practice, this means treating one "core" indicator, such as control of a large company, very high income, or ownership of high-value property, as sufficient on its own to classify someone as a potential HNWI. Where only "non-core" indicators are available, at least two or three indicators should be required before an individual is classified as an HNWI, such as the model used in Uganda.

After data matching has been conducted, administrations should move beyond a binary classification of who is or is not an HNWI and instead establish a system of ranking or prioritisation. Such a system would take into account both the number of indicators satisfied and the relative importance of each indicator, with core parameters given greater weight than non-core ones. This layered approach provides a structured and flexible framework that enables administrations to make progress even with imperfect data, while laying the groundwork for increasingly precise HNWIs identification over time.

2.4.2 Proposed Definition

Drawing from the described indicators, an African oriented definition for a HNWI can be articulated as follows:

> *A High-Net-Worth Individual in Africa is any person who, either directly or through related parties, exhibits one or more significant indicators of wealth, income, or asset ownership that place them within the top segment of the national income and wealth distribution,* ***as determined by measurable indicators and established thresholds determined by each country.***

This definition recognises that specific thresholds such as asset values, income levels, or net worth will vary across countries depending on data availability, economic context, and policy priorities. Tax Administrations are therefore encouraged to adopt context-appropriate thresholds based on national wealth distribution, available data, and administrative capacity.

3. The Legal Framework for Effective Taxation of HNWIs

3.1 Introduction

A strong legal framework is central to the effective taxation of HNWIs. Wealthy individuals typically earn from a wide range of income sources and employ complex arrangements to minimize their tax obligations. Without clear, enforceable provisions, tax administrations risk losing significant revenues while also undermining equity in the tax system.

The ATAF research across nine African countries shows that, overall, many jurisdictions already have various legal provisions within their Income Tax Acts, Tax Procedures Acts, Property transfer laws and other related laws to support the taxation of wealth. Nonetheless, important gaps remain in some countries. These include incomplete coverage of income sources particularly in countries that rely on source-based regimes, limited access to third-party information, weak or absent requirements for beneficial ownership disclosure, and inadequate provisions for the taxation of wealth. This section outlines the minimum legal provisions that should be in place to enable effective taxation of HNWIs and provides a practical checklist (see annex 1) that tax administrations may use both to verify the adequacy of their current frameworks and to identify areas in need of reform.

3.2 Provisions for Comprehensive Coverage of Income Sources

HNWIs do not rely on a single stream of income. Instead, they draw wealth from multiple sources including business ownership, real estate, capital gains, dividends, professional services, and consultancy. In addition, many wealthy individuals also invest in financial markets and instruments such as treasury bills, government bonds, and stock exchange securities, from which they earn interest, dividends, or trading gains. In addition, there is a significant increase in the level of crypto asset transactions in African countries which is now a new frontier of investment and a source of income in the modern age.

A comprehensive legal framework is therefore essential to ensure that all major sources of income, both active and passive, are adequately taxed, including each of the following items.

3.2.1 Provisions on Employment Income

Senior executives and directors often earn high salaries, bonuses, and benefits. Legislation should ensure comprehensive coverage of employment income, including fringe benefits, performance incentives, stock-based compensation, severance and non-compete payments, and non-cash allowances, to prevent under-declaration.

3.2.2 Provisions on Investment Income

HNWIs may derive income from financial instruments such as dividends, interest-bearing accounts, crypto assets, treasury bills, government bonds, and capital market securities. These sources of income should be explicitly covered under the tax law, with withholding tax provisions applied to enhance collection efficiency and reduce non-compliance.

Tax administrations should also mandate the reporting of TINs to payment and withholding agents by all individuals earning from financial instruments or other passive income sources. Where mandating a TIN for all payments is not immediately feasible, administrations should at least establish value thresholds above which withholding agents are required to declare the TINs of individuals earning beyond those limits. This ensures that high-value transactions are traceable and properly linked to the taxpayers, even as broader TIN coverage is gradually implemented.

3.2.3 Provisions on Capital Gains

HNWIs may realise gains from the disposal of shares, businesses, real estate or virtual assets. The legal framework should clearly define taxable events, applicable rates, and valuation rules for capital gains. In addition, the law should empower the tax administration through general or specific anti-avoidance provisions to recharacterize sham or artificial arrangements including indirect asset transfers and offshore disposals where these are used to primarily avoid capital gains tax.

3.2.4 Provisions for Rental and Property Income

Africa is often described as a “property continent”, where ownership of land and buildings is one of the most visible and uniform indicators of wealth. In every country studied, ownership of real estate consistently featured as a marker of HNWIs. Yet, despite this centrality, research consistently shows that revenues from property related taxes remain disappointingly low. Weak enforcement, fragmented registries, opportunities for cross-deductions, and the use of proxies to hide ownership have all limited the effective taxation of HNWIs in connection with real property.

To address these challenges, African policy makers need to adopt clear legal provisions and targeted reforms that make rental and property income taxation both enforceable and effective. Experiences from countries such as Kenya and Uganda offer valuable lessons. Boxes 3-1 and 3-2 present Kenya and Uganda’s experiences, respectively.

Box 3.1: Kenya's Legal Reforms on Rental Income:

- **Ring-Fencing of Rental Income:** Kenya's Income Tax Act prevents taxpayers from offsetting rental income with losses from unrelated business activities, thereby protecting the rental tax base from erosion.
- **Withholding Tax on Rental Payments:** The Finance Act 2023 empowered the Commissioner to appoint withholding agents, such as large companies, to deduct and remit rental income tax directly to the KRA. This measure created a third-party reporting system, reducing evasion and improving traceability.
- **Simplified Rental Regime:** Kenya introduced a dedicated regime for wlandlords with annual residential rental income between KES 288,000 and 15 million (approx. USD 2,200 – 115,000). Tax is levied at a flat percentage of gross rental income (currently 7.5%), with mandatory monthly return filing and payment. This simplified system reduced compliance barriers and broadened the tax base.
- **Rental Tax Amnesty:** In 2016, a one-off amnesty encouraged landlords to voluntarily disclose undeclared rental income. This brought more than 28,000 new taxpayers into the system in a single year and significantly boosted collections.

Box 3.2: Uganda's Ring-Fencing Approach:

Uganda introduced legal reforms to ensure rental income is treated as a separate source of income, preventing landlords from cross-deducting expenses from other businesses. Only expenses directly linked to rental activity can be deducted. This approach has strengthened revenue collection and simplified monitoring.

When designing or reforming rental and property tax systems, tax administrations could ensure that their legal frameworks provide for:

- A **separate and ring-fenced regime** for rental income, with deductions limited to directly related expenses.
- **Mandatory use of TINs** for property registration, transfers, and rental declarations, ensuring ownership and income are traceable.
- **Withholding tax provisions** that apply to rental payments, with agents empowered to deduct and remit tax at source.
- **Simplified filing procedures** for small and medium size landlords, reducing barriers to compliance while maintaining revenue flow.
- **Amnesty or voluntary disclosure programmes** to expand the tax base, coupled with strong follow-up enforcement, whether as a once-off or on an infrequent periodic basis.[4]

4 *See the ATAF Guide on Implementation of the Voluntary Disclosure Programme, https://ataftax.org/library/ataf-guide-on-implementation-of-the-voluntary-disclosure-programme-2/*

By enacting and enforcing such provisions, African tax administrations can significantly increase rental income collections while also improving visibility into one of the continent's most important markers of wealth.

3.2.5 Provisions for Property Transfer taxes / Stamp duty

Given that HNWIs can own and / or transact in multiple or high-value properties, there should be provisions on property transfer taxes or stamp duties applicable to the transfer of assets such as land, buildings, shares, and intellectual property rights. These taxes may be levied at modest rates, with the primary objective being to provide the tax administration with full visibility of property transactions rather than to generate excessive revenue.

To strengthen compliance and traceability, there should be provisions mandating TINs of both the buyer and seller before a property transfer can be registered or effected. This approach, already implemented successfully in Uganda and Zambia, helps to ensure that all parties to transactions are properly identified.

3.2.6 Gains from Intellectual Property (IP)

Some wealthy individuals derive income from transfer or licensing of intellectual property rights. The legal framework should clarify the taxation of royalties, licensing fees or considerations of similar nature, and apply withholding tax where possible to ensure coverage of these emerging income streams.

3.2.7 Professional and Consultancy income

Interviews revealed that professionals and consultants earning substantial fees from fields such as law, medicine, engineering, accounting, and management services frequently feature among potential HNWIs. Tax laws should clearly define such income as taxable under personal or business income tax provisions and ensure the consistent application of withholding tax mechanisms on such transactions in cases where such services are provided to corporate clients or government entities.

To enhance traceability and compliance, the use of a TIN should be mandatory in withholding tax returns whenever payments are made to professionals or consultants.

3.2.8 Gains from crypto assets

The digital economy has created opportunities for various economic transactions including investment in crypto assets and tokens using online exchange platforms. Considering the increasing uptake of crypto assets, African countries should ensure that domestic legal frameworks bring these transactions into the tax net by, amongst other things, ensuring that the non-resident platform operators register through a simplified registration regime. The platform operators could be required to charge withholding on the transactions facilitated through the exchange platforms and also to provide information of the resident taxpayers involved in those transactions (including the TIN). For domestic platform operators, they could simply be required to provide information about the residents engaged in those transactions, which should include the resident's TIN.

3.2.9 Illicit and Informal Income Earnings

In several countries, interviews revealed that some potential HNWIs accrue substantial income from illicit economic activities, such as the unregulated trade in high-value commodities or the illegal sale of products like marijuana. These activities, while often lucrative, operate outside the formal regulatory frameworks, resulting in significant revenue losses and distortions in wealth visibility.

From a tax policy perspective, many jurisdictions—including the United States, United Kingdom, Germany, Kenya, and South Africa—apply the principle that all income, whether earned legally or illegally, is taxable. Failure to declare such income constitutes tax evasion and can attract both tax penalties and criminal sanctions. Enforcement in these cases is typically linked to broader financial investigations, often involving cooperation between the tax authority, financial intelligence units, and law enforcement agencies.

To ensure comprehensive coverage, tax legislation should include clear provisions empowering the tax administration to assess and collect tax on income derived from illicit and informal activities. This does not legitimise illegal conduct but ensures that the tax system applies uniformly to all sources of income. The inclusion of such provisions strengthens the integrity of the tax system, enhances deterrence, and ensures that wealthy individuals—regardless of how their income is earned—cannot escape tax liability.

3.2.10 Gifts and Wealth Transfers

Tax laws should contain clear provisions on the taxation and disclosure of gifts, particularly those involving related parties. Wealthy individuals may transfer income or assets under the guise of gifts to avoid taxation or to shift wealth to family members or controlled entities. In some cases, gifts are also used to create artificial deductions when recorded as business expenses.

The legal framework should therefore:

- Define what constitutes a taxable gift and distinguish it from genuine donations or charitable contributions.
- Specify the tax treatment of gifts received or given, including reporting thresholds; and
- Authorise the administration to re-characterise disguised gifts as income where appropriate, applying anti-avoidance provisions.

3.2.11 Provision for Exit Tax on Individuals

Exit taxes are levies imposed when individuals cease to be tax residents of a country, triggering a deemed disposal of certain assets to ensure that unrealized capital gains accumulated during residency are taxed before departure. The core policy rationale is to prevent tax base erosion, promote fairness, and discourage HNWIs from shifting wealth to low-tax jurisdictions without paying taxes on gains generated domestically.

A few countries apply exit taxes to individuals. South Africa deems a disposal of worldwide assets (excluding South African immovable property) when a person ceases tax residency, while Australia taxes unrealized gains on non-taxable Australian property when residents depart. Other countries, such as Finland and Spain, impose exit taxes only after a minimum number of years of residency, balancing revenue protection with maintaining an attractive investment environment.

Exit tax is also an important anti-avoidance tool for dealing with highly mobile HNWIs who may migrate strategically to minimize taxes. By taxing unrealized gains at the point of exit, governments reduce opportunities for shifting capital gains offshore, moving wealth without contributing a fair tax share, and long-term erosion of the local tax base. Residency duration thresholds, asset-type rules, and exemptions further refine how exit taxes target avoidance while controlling compliance burdens.

For effective implementation, legislation must clearly define tax residency, the scope of taxable assets, taxpayer eligibility, timing rules for loss of residency, and administrative procedures (including measures to identify a person that has ceased tax residency, such as self-reporting or tax return data that captures this, or termination of visa). Thresholds may be applied to focus on higher-value assets or HNWIs. Although exit taxes are uncommon in Africa, they offer a potential mechanism to protect revenue and enhance fairness as mobility among HNWIs increases.

3.3 Wealth Taxes: Design Considerations

Wealth taxes remain rare both globally and in Africa. In the 1990s, twelve OECD countries levied annual wealth taxes, but today only Switzerland, Spain, and Norway maintain them (Perret, 2020). In Africa, Algeria has operated a broad-based wealth tax since 1993, while Zimbabwe introduced a narrower version in 2024 focused on high-value residential dwellings.

These taxes are typically levied on an individual's net wealth—total assets minus liabilities—and are designed to complement income taxes by targeting accumulated wealth. They tax the total wealth each taxable period, rather than only the increase in wealth between years. While they can, in principle, address equity concerns and capture under-taxed wealth, experience shows that they often generate modest revenues and create significant administrative burdens. Additionally, poorly designed wealth tax regime may cause tax uncertainty which may discourage investment. For these reasons, this Guide does not recommend wealth taxes as a primary instrument. Instead, African countries may still effectively tax HNWIs by strengthening income tax provisions and leveraging effective use of third-party data and technology.

That said, for countries that have already implemented wealth taxes or are considering them, the following guidance is provided.

3.3.1 Scope and Coverage

- Wealth taxes should apply broadly across asset classes to prevent avoidance.
- Assets to include: real estate (built and unbuilt), shares and units in companies, movable property (vehicles, yachts, aircraft, art, jewellery), and financial assets including crypto assets.
- Liabilities directly linked to assets (e.g., mortgages) may be deducted to ensure fairness.
- Exemptions (e.g., primary residence up to a reasonable threshold, business assets critical to ongoing activity) should be kept minimal, as broad exemptions significantly erode revenues.

3.3.2 Valuation Rules

- Assets should be valued at open market value at the time the tax is due.
- Consistent, transparent valuation methods are essential to avoid disputes and inequities.
- For illiquid or hard-to-value assets (e.g., art, unlisted companies), simplified valuation rules may be necessary, but these create loopholes if not carefully designed.

3.3.3 Assessment and Declarations

- Require taxpayers to file wealth declarations at regular intervals (annual is preferable, though Algeria uses a four-year cycle).
- Mandate updates when significant acquisitions or disposals occur.
- Declarations should be digital where possible, with integration to property, company, customs, and financial databases to support cross-checks.

3.3.4 Administration and Enforcement

- Establish dedicated wealth tax registers, updated through inter-agency data sharing (land registries, financial institutions, transport authorities, etc.).
- Use lifestyle audits and third-party data to detect underreporting.
- Automate as much as possible—manual, paper-based systems create bottlenecks and weak enforcement.
- Build capacity for valuations at both central and local levels.

3.4 Tax Regime (Residence vs. Source Based Regime)

When designing or reviewing frameworks for taxing HNWIs, one of the first considerations is whether the country applies a residence-based regime[5] or a source-based regime[6].Where possible, African countries should consider moving towards a residence-based regime, as this strengthens the ability to tax all income of residents, including foreign income.

Whilst a broad source-based regime provides administrative certainty and relative ease of administration, it limits a country's taxing rights in respect of the worldwide income of resident persons which could significantly impede their capacity to effectively tax HNWIs. It may also facilitate double non-taxation, if the source of the income is abroad, and that country does not tax that portion of the income either.

3.5 Rules to address complex transactions

3.5.1 Transfer Pricing Provisions

HWNIs may set up complex transactions involving related parties making it challenging to determine their incomes using conventional tax laws and approaches. Countries should ensure that there are robust transfer pricing provisions with a broad definition of related party transactions that also covers individuals. If transfer pricing provisions only apply to corporate entities, for example, then HWNI can facilitate profit shifting through non-arm's length transactions between themselves and their related entities.

3.5.2 Anti-Avoidance and Anti-Abuse Rules

HNWIs can engage in complex tax planning strategies designed to reduce or avoid or defer their tax liabilities. Countries should consider introducing General Anti-Avoidance Rules (GAAR). GAAR provisions give tax administrations broad authority to disregard or recharacterize transactions that lack commercial rationality and are primarily designed to avoid or reduce or defer tax lability.

The GAAR and the transfer pricing provisions could be supplemented by disclosure requirements of the structures or arrangements used to hold wealth such as trusts, partnerships, and similar arrangements as well as the beneficial owners.

Most African countries already have some form of GAAR in their Income Tax or Tax Procedures Acts. However, in practice, application is often limited due to weaknesses in these provisions as well as the challenges associated with their effective use. Strengthening these provisions and building the necessary expertise of tax officials on the use of these provisions is a key step toward ensuring that HNWIs contribute fairly and transparently to domestic revenue mobilization.

5 *Residence-based regime: Tax residents are liable on their worldwide income, no matter where it is earned. This approach is broader and more effective for capturing the multiple income streams of HNWIs, especially those with foreign investments or assets. Many countries especially in Africa apply residence-based regimes, which extend the tax net to cover both domestic and offshore income.*

6 *Source-based regime: Only income that arises within the country is taxed. This leaves gaps in taxing HNWIs, since foreign income and assets remain outside the tax net. The ATAF Research Team noted that a number of Southern African countries still rely on source-based regimes, which limits the ability of tax administrations to fully assess the wealth of resident HNWIs.*

3.6 Access to Data and Information

Access to accurate and timely information is fundamental to the effective taxation of HNWIs. Wealthy individuals may earn from multiple sources and structure their affairs in ways that obscure the full picture of their wealth. Without strong filing requirements and access to third-party data, tax administrations risk losing visibility over significant portions of the tax base.

3.6.1 Filing Obligations for Individuals

In many African countries, employees are not required to file returns if their employment income is taxed at source through Pay-As-You-Earn (PAYE). Likewise, individuals earning passive income such as dividends, interest, or capital gains often do not file, since these incomes are subject to withholding tax. While such mechanisms ensure some level of revenue collection, they weaken traceability across multiple income streams. For HNWIs, who typically earn from diverse and complex sources, this creates major blind spots.

Countries such as Kenya and South Africa have addressed this challenge by requiring broader annual filing obligations, even where withholding has been applied. This ensures that all income streams are declared in one return and supports comprehensive profiling and compliance monitoring. For African tax administrations, mandatory filing for individuals above a certain income threshold should be seen as a minimum legal provision.

3.6.2 Legal Powers to Access Third-Party Data

Most African countries have legal provisions in their tax laws empowering administrations to request information from banks, land registries, company registries, professional bodies, and other government agencies. However, in practice, access remains limited. Financial transaction data, in particular, is often treated as a "red line", with secrecy laws or banking regulations used to deny requests that are not linked to a specific taxpayer. As a result, tax administrations typically succeed only with case-by-case requests, such as when pursuing an agency notice for a known debt, but lack systematic access to broader datasets that could support HNWIs identification.

Specific legal and operational considerations relating to bank transaction data are discussed in detail in section 5.2.5 which outlines practical approaches adopted by selected African countries to balance tax enforcement needs with confidentiality and privacy safeguards.

3.6.3 Data Protection and Privacy Laws

The spread of data protection laws has created both opportunities and risks. Strong privacy protections are important, but when drafted without explicit exemptions, they can restrict the ability of tax administrations to access critical data. For instance, in Kenya, the Data Protection Act has at times been cited as a key barrier for the KRA to access third party data. By contrast, Eswatini's and South Africa's data protection framework includes explicit carve-outs for tax enforcement, meaning the law does not prevent the revenue authority from exercising its access powers. However, in practice, other institutions often cite the legislation as a reason to withhold data, either due to misinterpretation or an overly cautious approach.

To strengthen access to data and information while balancing privacy concerns, tax administrations should:

- Require all individuals to file annual returns, regardless of withholding.
- Mandate the use of TINs in all financial, property, and business transactions to ensure traceability (with penalties or increased withholding where an individual fails to provide the correct TIN).
- Expand legal provisions to require periodic reporting by banks, covering new accounts, account closures, and high-value transactions.
- Ensure statutory powers of access to third-party data are clearly provided for in Income Tax and Tax Procedures Acts.
- Advocate for data protection laws with explicit exemptions for tax enforcement, ensuring that privacy rules do not undermine compliance efforts.

3.6.4 Exchange of Information (EOI) Provisions

HNWIs may hold wealth offshore or in structures across borders. To effectively tax them, revenue authorities need legal powers and practical arrangements to access information from other jurisdictions.

(a) Exchange of Information Instruments

Countries should ensure that their legal frameworks allow for participation in a broad range of international exchange of information instruments. These include:

- Double Taxation Agreements (DTAs): Provide a legal basis for exchange of information between contracting states, helping to identify income and assets held abroad.
- Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAAC):[7] This widely used mutual administrative assistance instrument covers a range of exchanges and assistance including exchange of information on request, spontaneous exchange, and automatic exchange, as well as assistance in tax recovery.
- ATAF Mutual Administrative Assistance in Tax Matters Agreement (AMATM):[8] A regional instrument facilitating information exchange and mutual assistance in tax collection among African tax administrations. This is particularly relevant as much of the offshore wealth of African HNWIs may be held within the continent itself.
- Tax Information Exchange Agreements (TIEAs): Bilateral agreements that typically provide for information exchange on request, often used in cases where DTAs are absent.

Ratification and implementation of these instruments are essential for enhancing transparency and improving the ability of tax administrations to detect and assess offshore wealth.

7 https://www.oecd.org/en/topics/sub-issues/convention-on-mutual-administrative-assistance-in-tax-matters.html

8 https://ataftax.org/library/toolkit-for-joining-the-african-tax-administration-forum-agreement-on-mutual-assistance-in-tax-matters/

(b) Enabling Domestic Provisions

Countries should enact the necessary domestic legislation for effective implementation of exchange of information, whilst ensuring that there are clear and robust laws on access to information and guarantees confidentiality and security of such information and data.

Establishing a dedicated Exchange of Information Unit within the tax administration—staffed with trained specialists—is critical for processing requests, managing incoming data, and integrating the information into audit and compliance functions.

(c) Implementation of Automatic Exchange of Information (AEOI)

While many African countries have joined international tax transparency frameworks, implementation remains limited, particularly with respect to Automatic Exchange of Information (AEOI) under the CRS. AEOI allows jurisdictions to automatically exchange financial account information, providing tax authorities with visibility of assets held abroad, on an annual basis, without first making a request. This can uncover unknown offshore assets, which can then provide crucial data for HNWIs profiling and audit.

Only six (6) African countries have fully implemented AEOI standards, which significantly limits the continent's ability to trace and tax offshore wealth. Expanding participation and ensuring effective implementation of these mechanisms remain critical steps toward improving the taxation of HNWIs.

For detailed guidance on establishing and operationalising an AEOI Unit, tax administrations should refer to *ATAF's Practical Guide on Automatic Exchange of Information for African Countries*[9]. The guide outlines best practices, institutional requirements, and step-by-step recommendations necessary for implementing and sustaining the Automatic Exchange of Financial Account Information within national tax jurisdictions.

9 https://ataftax.org/library/a-practical-guide-on-automatic-exchange-of-information-for-african-countries/

4. Tax administration framework for effective taxation of HNWIs

The effective taxation of HNWIs requires a tailored administrative framework that combines structure, skills, resources, and collaboration. This framework ensures that sensitive and complex cases are handled with consistency, confidentiality, and professionalism. Key considerations include identification and creation of a register of potential HNWIs, the creation and positioning of a dedicated HNWIs Unit, its naming and physical location, staffing with specialised expertise, and resourcing through adequate budgets.

4.1 Identification and creation of a potential register of HNWIs

As outlined in Section 2, identifying HNWIs in Africa requires drawing on multiple indicators rather than relying on a single data source. Tax administrations should use the core and non-core indicators described earlier to conduct a data-matching exercise across available datasets such as tax returns, company registries, property records, customs data, and financial information to identify individuals who display characteristics of high wealth.

Using these criteria, the administration can generate a potential HNWI register. Individuals who meet any of the core indicators should automatically be added to the register. In addition, those who meet multiple non-core indicators, for example, two or more should also be included.

The resulting list may initially be large and will therefore require prioritisation. African Tax Administrations may start by focusing on taxpayers who meet one or more core indicators, and, where numbers remain high, rank individuals by the total number of indicators satisfied. This systematic process enables efficient resource allocation while ensuring that the most probable HNWIs are captured first for further verification, profiling, and compliance action.

4.2 Profiling the HNWIs (Know Your Client Exercise)

Following the identification of potential HNWIs, it is essential for the tax administration to conduct a **Know Your Client (KYC) exercise**. This process enables the administration to validate the accuracy of information already available in its systems and to ensure that all relevant details are updated on the registration profiles of the identified HNWIs. During this exercise, some individuals initially flagged as potential HNWIs may be found not to possess the expected wealth characteristics and can therefore be removed from the register. Equally, the exercise is critical for uncovering and updating undeclared income sources, thereby strengthening the completeness and reliability of taxpayer registration profiles. In turn, this enhances the administration's capacity to effectively monitor and manage the tax affairs of genuine HNWIs.

4.3 Creation of a Dedicated High-Net-Worth Individuals' Unit

For effective taxation of HNWIs, African Tax Administrations (ATAs) may consider creating a dedicated Unit that manages their affairs. Experience from countries such as Kenya, South Africa, Uganda, and Australia shows that such Units improve compliance by bringing focus, expertise, and consistency to HNWI cases. Fragmented administration of HNWIs across different tax offices undermines effective oversight, diminishes visibility of wealthy taxpayers, and creates loopholes that can be exploited for tax evasion or avoidance. A dedicated Unit, by contrast, consolidates data, standardises risk criteria, and ensures that sensitive cases are managed by trained staff with appropriate safeguards.

The design of the Unit must reflect the administration's broader compliance strategy, governance culture, and operational priorities. ATAs should also recognise that starting small and gradually scaling up is more sustainable than registering all potential HNWIs at once. For instance, beginning with a manageable pilot group (such as directors of large enterprises or those meeting multiple wealth criteria) allows the Unit to build skills and credibility before expanding coverage.

4.3.1 Naming of the Unit

In deciding on the name of the Unit, ATAs should use a label that reflects their compliance strategy, political context, and communication goals. While in some countries it may be acceptable to explicitly call the unit a High-Net-Worth Individual (HNWI) Unit, in others such terminology may be politically sensitive and trigger unnecessary anxiety or resistance. Some administrations even prefer to avoid direct reference to HNWIs altogether, as the label could provoke backlash or be perceived as targeting a specific group unfairly. In such contexts, adopting a more neutral name can help achieve the same objectives while minimizing political or public relations risks.

Based on ATAF studies and country practice, options include:

4.3.1.1 High-Net-Worth Individuals Unit

This naming conveys clarity and aligns with international usage. However, it may sound punitive unless paired with a strong service-oriented communication strategy. URA uses the name HNWI/VIP for its unit that manages both the wealthy individuals and Very important Persons such high-ranking government officials, politicians, and influential individuals.

4.3.1.2 Premier Services / Premier Tax Office (PS/PTO)

This naming presents the unit as a service-oriented office that offers dedicated relationship managers and quicker service channels. It helps build cooperation and trust with HNWIs, but ATAs must take care to avoid the impression of giving special treatment. The Kenya Revenue Authority has adopted this approach.

4.3.1.3 Private/High Wealth Unit (PWU/HWU)

Determining a precise net-worth threshold for individuals is often challenging, particularly in contexts where reliable data on assets and wealth is limited. In such cases, administrations may opt for a broader terminology, such as High Wealth Individuals, rather than relying on the label High-Net-Worth Individuals, which implies a specific monetary cut-off. For instance, the South African Revenue Service (SARS) uses the designation High Wealth Individuals to capture a wider pool of affluent taxpayers without being constrained by the difficulties of quantifying exact net-worth levels.

4.3.1.4 High-Profile Individuals & PEP Unit (HPI/PEP)

This name clearly includes politically exposed persons (PEPs) together with HNWIs, which supports anti-money laundering (AML) requirements. International AML guidance recognises that PEPs are inherently higher-risk due to their positions of influence (FATF, 2022), while wealthy individuals may also present significant risks because of complex financial structures, cross-border activity, and use of opaque assets (Flagright, 2024).

The Zambia Revenue Authority applies this approach under the name High Income and Prominent Individuals (HIPI). Zambia's FIC Act was amended (Act No. 16 of 2020) so that what used to be the "Politically Exposed Persons (PEPs)" are now defined (or expanded to) "Prominent Influential Persons (PIPs),"(FIC 2020). Zambia is using "Prominent Influential Persons" as a legal category, in AML/CFT (anti-money laundering / counter-financing of terrorism) law. This is related, but not the same phrase "prominent individuals" in HIPI.

4.3.2 Placing the Unit in the Organisational Structure

Deciding where to place the HNWIs Unit within the organisational structure is critical for its effectiveness. The chosen placement should balance visibility, authority, and integration with other functions such as investigations, audits, and data analysis. ATAs may embed the unit within an existing Large Taxpayers' Office (LTO) to benefit from shared resources or establish it as a standalone unit to ensure independence and focus. Each option has advantages and trade-offs that must align with the administration's maturity, resources, and strategic priorities. The following are the two options that may be considered:

4.3.2.1 Within Large Taxpayers Office

This setup works best when the HNWIs unit is just starting or still consolidating. It benefits from being close to large corporate entities, since wealthy individuals may have built their fortunes through their companies. Linking their personal and business cases is therefore easier. It also cuts start-up costs because audit, investigations, and legal services can be shared. The main risk is that HNWIs work may be sidelined under corporate priorities unless the unit has its own targets and a dedicated team. Countries like Tanzania, Zambia, Kenya, and Uganda have already used this model successfully.

4.3.2.2 Standalone HNWIs Directorate/Unit

This model is most effective where political sensitivity—both within the tax administration and from external stakeholders—makes independence essential. It is equally suitable for function-based tax administrations that have moved away from taxpayer segmentation by size, as it ensures focused management of wealthy individuals whose affairs may otherwise be dispersed across multiple functional units. Establishing a standalone directorate or unit allows for greater control over allocated resources, including staff and budget, while also providing the autonomy to design and implement its own strategy. The setup strengthens visibility, accountability, and the unit's authority within the broader tax administration. The main drawback is the potential risk of working in isolation; however, this can be mitigated by establishing strong linkages with Large Taxpayer Offices, Investigations, and Audit teams. Examples of tax administrations that have adopted this model include the Australian Tax Office and the South African Revenue Service (SARS).

4.3.3 Deciding on the Physical Location of the Unit

Choosing where to place the HNWIs Unit is a key decision that affects how accessible, visible, and trusted it will be. The location must strike a balance between offering good service and maintaining confidentiality, while fitting into the overall structure of the tax administration. Locating it at headquarters provides strong oversight and control, while setting it up in business hubs or upmarket areas makes it easier to engage with wealthy taxpayers. The aim is to improve compliance and build confidence among HNWIs. In Kenya, the KRA relocated the Large Taxpayer Office (LTO) from its headquarters, partly to ensure that large taxpayers could be served from a less congested and more accessible location. In addition, the Premier Tax Unit was moved to the LTO within this high-end location, reinforcing the strategy of providing specialized services to priority taxpayers in a more conducive environment.

4.3.4 Accessibility to Clients

HNWIs often operate from upmarket areas, central business districts, or exclusive residential zones. Locating the unit close to where they live and conduct business can improve cooperation, reduce resistance, and signal that the tax administration is providing a professional and responsive service. ATAs should view location not only as a logistics issue but also as part of the client-service message being sent.

4.3.5 Confidentiality and Security

HNWIs cases often involve politically exposed persons (PEPs), cross-border structures, and sensitive financial arrangements. Protecting this information is critical for both credibility and taxpayer trust. The unit should guarantee discretion through secure premises, protected data systems, and staff security measures. The following considerations are critical regarding confidentiality and security.

4.3.6 Premises and Ambience

The office environment for managing HNWIs cases should project professionalism, discretion, and exclusivity. It should have secure access controls, private meeting rooms, and strict visitor management procedures to ensure confidentiality.

The ambience should reflect the class of taxpayers served while maintaining a tone of professionalism rather than opulence. Features such as well-furnished offices, comfortable lounges, dedicated parking, and provision of basic refreshments during meetings can help create a welcoming and respectful atmosphere. Such an environment not only enhances the taxpayer experience but also supports productive and confidential engagements. Recently, Tanzania Revenue Authority have established a very opulent unit that deals with the affairs of HNWIs.

4.3.7 Systems

Data should be protected through robust cybersecurity measures and strict access controls, with comprehensive audit trails for all sensitive files. Access to HNWIs data must be granted only to authorized personnel under clear confidentiality agreements and monitored regularly to prevent misuse. Encryption, multi-factor authentication, and secure data transmission protocols should be applied to safeguard information both in storage and in transit.

4.3.8 Staff Safety

Officers involved in HNWIs taxation may encounter political influence or social intimidation. To safeguard their wellbeing and integrity, administrations should institute robust security protocols, including controlled access to offices, secure parking, and the exclusion of personal details from public records. Regular security risk assessments and discreet reporting channels must be maintained to identify and manage threats proactively. Staff should undergo continuous training on personal safety, digital protection, and handling interactions with powerful taxpayers. In high-risk roles, planned staff rotations should be implemented to minimise vulnerability and collusion risks, supported by structured handovers to preserve institutional knowledge.

4.3.9 Centralisation versus Decentralisation

Centralisation at headquarters is recommended for new units, as it ensures close oversight, consistency, and access to decision-makers. This model also allows easier coordination with other departments during the pilot phase.

Decentralisation to upmarket areas is necessary as the unit matures. Locating satellite offices in key business hubs or wealthy districts can improve intelligence gathering, build stronger relationships, and demonstrate a service-oriented approach.

4.4 Resourcing the Unit

For the Unit to be credible, it must be well-resourced both in numbers and skills. International and regional benchmarks demonstrate the importance of maintaining a reasonable staff-to-taxpayer ratio to ensure effective oversight. In the United Kingdom, as of 2015/2016, the ratio was 1:17 and each HNWI was also assigned a dedicated customer relationship manager responsible for understanding their compliance behaviour, identifying risks, and monitoring business transactions. In total, there were 40 such managers. In South Africa, a staff-to-taxpayer ratio of 1:59 while in Kenya, it is 1:33.

Beyond numbers, expertise is critical: There is need for a mixture of technical and soft skills such as communication and client management. For the Head of the unit, in addition to technical and soft skills, he/she may need more political, stakeholder engagement skills and to be bold enough to face the potential resistance and backlash from this group of taxpayers. SARS, for example, invested in equipping its tax officers dealing with HNWIs with technical skills including recruiting auditors from the private sector, exposing junior officers to complex tax planning schemes and arranging for these junior officers to frequently meet with their more experienced counterparts to discuss the various cases being handled by the unit. In the URA's case, given the political sensitivity of taxing these individuals, it was considered to be important that some of the officials that were appointed to the unit had "people skills", which would enable them to communicate with high profile individuals. In terms of technical capability, the staff in the unit need specialist skills in complex income streams, international tax, and wealth structuring, while staff must also develop soft skills in relationship management, negotiation, and handling political pressure.

4.5 Structure of the HNWI Unit

For an HNWI Unit to operate effectively, it should be organised around core functional areas that enable comprehensive oversight, efficient service delivery, and risk-based compliance management. At a minimum, the structure should include the following components:

- **Unit Head**

  The Unit Head provides overall leadership, strategic direction, and accountability for the Unit. This position should ideally be two levels below the Head of the Administration (Commissioner General or Director General) and report directly to the Commissioner or Head of Domestic Taxes. This placement provides the unit with sufficient authority and visibility to influence key decisions while maintaining operational independence in handling sensitive and high-profile cases.

- **Relationship Management Section**

  Acts as the primary interface with HNWIs and their representatives, manages communication, and supports cooperative compliance.

- **Compliance Function**

  Compliance staff monitors filing behaviour, validates information, and coordinates with internal and external partners to strengthen taxpayer profiles.

- **Audit and Investigation Function**

  Conducts targeted, risk-based audits and investigations to detect under-reported or undeclared income, aggressive tax planning, criminal prosecutions and other compliance risks.

- **Debt Enforcement Section**

  This section is tasked with recovering outstanding tax liabilities from HNWIs. Given the complexity of wealth structures and asset holdings, debt enforcement requires specialized skills in asset tracing, recovery procedures, and coordination with judicial and enforcement agencies.

- **Research and data analytics**

  Depending on the structure of the tax administration, the unit may also require dedicated researchers and analytics experts.

4.6 Roles, Responsibilities and Competencies of Unit staff

The size and composition of the Unit depend on the number of taxpayers managed and the complexity of their affairs. Typically, units begin with a small team (10–15 staff) and scale up gradually. Each function requires clear responsibilities and specific competencies to support effective HNWI administration.

4.6.1 The Unit Head

Core Responsibilities

- Sets vision, priorities, and measurable performance targets.
- Oversees segmentation, risk management, audits, and investigations.
- Ensures coordination with LTO, AML units, International Tax, and other compliance functions.
- Builds staff capability and safeguards the integrity of the Unit.
- Manages high-level engagements with both internal stakeholders (Commissioner General, other departments) and external ones (professional bodies, financial

Key Competencies

- Technical expertise: deep understanding of complex wealth management strategies (trusts, offshore accounts, estate planning, crypto assets), money laundering typologies, and risks associated with politically exposed persons.
- Soft and political skills: High credibility, strong diplomacy, discretion in handling sensitive information, and the ability to manage political and social pressure. The Unit Head must also be skilled in crisis management, knowing how to respond when high-profile taxpayers push back.
- Leadership and influence: Ability to secure resources, champion the Unit's work at executive level, and shield staff from undue interference.

4.6.2 Client Relationship Officers (CROs)

Core responsibilities: Client Relationship Officers (CROs) are responsible for managing day-to-day taxpayer interactions, explaining obligations, coordinating audits, and promoting cooperative compliance.

Competencies: communication, cultural awareness, diplomacy, and broad tax technical knowledge.

4.6.3 Compliance officers, Auditors and/or Investigators

Core responsibilities: Conduct in-depth reviews such as lifestyle audits, net-worth analysis, related-party reviews, and assessments involving trusts, offshore arrangements, and complex corporate structures.

Competencies: forensic accounting, data analysis, international tax, audit methodology.

4.6.4 Data Analysts / Forensic Specialists / Intelligence Officers

Core responsibilities: Use internal and external datasets including property, banking, customs, and corporate data to create accurate taxpayer profiles and support risk identification.

Competencies: data analytics, systems integration, data interpretation, cross-matching.

4.6.5 International Tax Expert

These handle offshore arrangements, transfer pricing arrangements, and other international tax issues including residency issues that commonly arise with HNWIs. They work closely with Exchange of Information (EOI) Units and apply global standards such as Base Erosion and Profit Shifting (BEPS) and AEOI standards (e.g. Foreign Account Tax Compliance Act (FATCA), and the Common Reporting Standard (CRS)). Their role is to trace wealth and income moved abroad and ensure it is properly reported and taxed. They provide technical advice on cross-border rules, treaties, and anti-avoidance measures. This expertise is vital because without it, the unit risks losing visibility of significant offshore assets.

4.6.6 Valuation Expert

Valuation experts are essential for providing fair market assessments of assets owned by HNWIs, including real estate, business shares, luxury assets, and art. Their role is to ensure that declared values accurately reflect prevailing market conditions, thereby reducing disputes over asset worth and closing loopholes where taxpayers may attempt to undervalue property to avoid taxes.

In many Anglophone countries, responsibility for asset valuation typically falls outside the tax administration, often resting with local governments or municipal agencies. In such contexts, close collaboration and data-sharing arrangements are critical to ensure that tax administrations can access reliable valuation data when assessing the wealth of HNWIs.

By contrast, in several Francophone countries, valuation departments are embedded within the tax administration itself. This arrangement provides a strong foundation for integrating valuation directly into compliance functions. In such cases, establishing one or two dedicated valuation sections within the HNWIs Unit can significantly strengthen its ability to assess and monitor the assets of wealthy individuals.

4.7 Budget

When planning for a HNWI Unit, tax administrations should anticipate a range of budgetary needs. The costs of running such a unit go beyond staffing and must be carefully planned from the outset.

- Staffing Costs – Increasing the number of taxpayers managed by the unit will directly affect the adequacy of staffing levels. Administrations should budget for the recruitment of new staff or the redeployment of experienced officers from other departments.
- Training and Skills Development – Staff working in HNWIs units require specialized expertise. Short courses on issues such as aggressive tax planning, cross-border wealth management, and complex investment structures should be factored into the budget.
- Exposure and Knowledge Exchange – To remain effective, staff should have opportunities for continuous learning. This may include attendance at professional networking events, secondments to other revenue authorities, and benchmarking visits to learn from international best practices (OECD, 2009).
- Operational and Support Costs – Running the unit may also require resources for IT systems, analytical tools, and enhanced data management capacity. These should be included in the financial plan.

Finally, administrations must be prepared to demonstrate value for money. Budgets for HNWIs units are more likely to be increased and sustained when the unit can show clear results in terms of improved compliance and additional revenue collected. Linking budget allocations to measurable performance outcomes (e.g. expansion of tax base, tax collected) is therefore critical.

4.8 Collaboration within the tax administration

Effective administration of taxes related to HNWIs requires collaboration of the HNWIs unit with several units in the tax administration. Experience from African ATAs shows that fragmented approaches and silos undermine results. Collaboration should therefore be institutionalised through clear protocols, secure data-sharing systems, and regular engagement.

Below are some of the units that the HNWIs units are likely to need close collaboration with within the tax administration.

4.8.1 Senior Management

- Regular briefings to the Commissioner General and senior directors ensure that HNWI activities remain a strategic priority.
- Quarterly performance reviews should be established with senior management to track progress, secure resources, and resolve political obstacles.

4.8.2 Exchange of Information (EOI)

- EOI Units (including EOI on request and AEOI) provide critical offshore data on bank accounts, trusts, and residency.
- Close Cooperation and collaboration between the HNWI Unit and EOI team should be formalised to quickly identify undeclared offshore income and strengthen cases with internationally sourced evidence.

4.8.3 Data Analysis units

- Data teams supply intelligence from registries, returns, and third-party datasets.
- It is essential to create shared dashboards or case management systems where analysts and HNWIs officers can jointly monitor risks and trigger audits.

4.8.4 Investigations unit

- Investigations provide enforcement capability in complex or high-risk cases.
- Joint case protocols should be established so that investigators can be brought in early where fraud, evasion, or illicit flows are suspected, rather than as a last resort.

4.8.5 Information and Communications Technology (ICT) Unit

- ICT ensures secure systems for sensitive taxpayer data.
- The HNWIs unit should work with ICT to implement secure data rooms, encrypted communications, and digital audit trails. This reduces the risks of leaks and ensures staff safety when handling politically exposed persons (PEPs).

4.9 Addressing Income Shifting Through a Group Wealth Approach

When HNWIs are brought under intensified scrutiny, a common behavioural response is the restructuring of income through incorporation. Income generating activities such as rental operations, consultancy services, trading activities, and investment holdings may be transferred to small or medium-sized companies under the individual's control. While incorporation is legally permissible, such arrangements can significantly reduce the individual's personal income tax exposure, particularly where corporate tax rates are lower than top marginal personal income tax rates, dividends are taxed at preferential rates, profits may be retained within companies, or loans and related-party arrangements substitute for taxable remuneration. If enforcement focuses solely on the individual's personal income tax return, wealth and income may be fragmented across multiple legal entities, thereby weakening the effectiveness of the HNWI regime.

ATAs may therefore consider adopting a group wealth approach that recognises that HNWIs typically operate through networks of controlled or associated entities. Under this approach, the administration assesses the individual together with linked trusts, controlled companies, partnerships, and offshore entities under effective control. The objective is not to legally consolidate tax liabilities across entities, but to assess compliance risk at the level of the economic group.

International experience provides useful operational lessons. The Australian Taxation Office (ATO) provides a long-standing example of this approach. The ATO established a High Wealth Individuals Taskforce in 1996 to monitor and conduct compliance reviews of HNWIs. The taskforce was disbanded in 2011, after which the affairs of wealthy individuals were administered through the Privately Owned and Wealth Groups (POWG) segment, which deals with wealthy individuals together with the companies they control (Kangave et al., 2018). This structure reflects a deliberate shift toward managing private economic groups rather than isolated individuals.

Similarly, information provided by the South African Revenue Service in response to the ATAF questionnaire indicates that South Africa administers high wealth individuals together with their associated trusts and linked companies within a dedicated High Wealth Individuals segment. Individuals meeting the asset threshold (currently R75 million) are migrated into the segment together with entities under their control. As at 2024/25, the portfolio comprised 4,245 taxpayers, including 3,143 individuals, 341 trusts and 761 companies. This structure enables a holistic view of the taxpayer's economic footprint and strengthens the ability of the administration to detect income shifting across entities.

For tax administrations that already have HNWI units located within Large Taxpayer Offices (LTOs) or are considering establishing such units within the LTO structure, adopting a group wealth approach does not necessarily require institutional restructuring. Where HNWIs control large companies that are already administered within the LTO, the primary adjustment required is strengthened coordination between the team responsible for the individual HNWI and the teams responsible for the related corporate entities. Structured collaboration, joint risk assessment, and integrated case management can ensure that the economic group is examined holistically rather than in administrative silos.

Where HNWIs control small or medium-sized companies that fall outside the LTO threshold, additional administrative adjustments may be required. Although these entities may be classified as small or medium taxpayers based on turnover, the controlling individual remains of high compliance interest. In such circumstances, tax administrations may consider migrating these controlled entities into the HNWI portfolio for coordinated oversight. This ensures that compliance risk is assessed on the basis of economic control rather than entity size alone.

5. Tax Administration Data and its Effective use

Data is the backbone of effective taxation of HNWIs. Identifying, assessing, and taxing HNWIs requires tax administrations to access reliable, comprehensive, and timely information from multiple sources. The study conducted across nine African countries revealed that while most ATAs collect large volumes of data, gaps remain in integration, quality, accessibility, and the ability to use this data effectively. In particular, restrictive Data Protection Acts, fragmented information systems, and limited inter-agency cooperation were highlighted as significant obstacles.

This section sets out practical guidelines for tax administrations on key internal and external datasets and how to strengthen its effective use to enhance HNWIs compliance management.

5.1 Internal Data

Internal data refers to the information already available within a tax administration. Leveraging such data requires robust governance, clear reporting requirements, and interoperable IT systems. Below are the key internal datasets that every tax administration should maintain for effective monitoring of HNWIs, along with the quality characteristics that must be emphasized for each.

5.1.1 Taxpayer Register

A reliable taxpayer register is the foundation for identifying and monitoring HNWIs. Without accurate, complete, and up-to-date records, tax administrations cannot build reliable taxpayer profiles or link income sources, assets, and transactions to the correct individuals. Design and maintenance of the taxpayer register should follow the unique identifier principle outlined in Section 6.1.4, ensuring that every taxpayer has a single TIN linked, where possible, to the national ID.

Our research shows that many African tax administrations have historically prioritized company registration, leaving individual taxpayer records underdeveloped and unreliable. Similarly, evidence highlights widespread weaknesses in taxpayer identification details for individuals such as shared contact numbers and email addresses, duplicate TINs or multiple TINs. TADAT assessments across 28 African tax agencies scored the accuracy and reliability of taxpayer registers at an average of only 1.6 out of 7[10].

These challenges are especially problematic when dealing with HNWIs, who often have multiple income sources and complex financial profiles. To improve the taxpayer register:

Integrate with National Identity Registers: Lobby to link the TIN with national identification systems. Based on findings from individuals country case studies, individuals are more likely to provide accurate data to national identity registries than to tax authorities. Such integration provides the tax administrations with verified high-quality identification data.

10 ICTD 2025 paper https://opendocs.ids.ac.uk/articles/report/Pathways_into_the_Tax_Net_Better_Ways_to_Register_African_Taxpayers/26434384?file=48183997

Capture Income Source Information at Registration: Require applicants to declare their main income sources when registering for a TIN. For employment income, the employer's TIN should be disclosed (as practiced in Uganda). For business and property income, details of businesses and properties should also be declared. Uganda's HNWIs Unit demonstrated that updating HNWIs registration profiles with multiple income sources led to significant vertical expansion of the tax base (Kangave et al. 2018).

Mandatory Periodic Updates: Require taxpayers to update their registration details every 2–3 years. This can be enforced through system prompts that restrict access to certain services until records are updated.

5.1.2 Company Directors and Beneficial Ownership Registers

A well-maintained beneficial ownership register is essential for revealing complex structures used by HNWIs to shield assets. One common core criterion for identifying a potential HNWI is directorship in large companies as well as multiple directorships in medium sized companies. For this reason, a complete and regularly updated register of company directors and beneficial owners is invaluable. Such a register enables the tax administration to quickly trace the individuals behind significant corporate entities, build accurate HNWI profiles, and detect networks of ownership and influence that may otherwise remain hidden.

To strengthen this dataset, tax administrations should:

- **Make TIN mandatory at registration:** Work with company registries to ensure that all directors and beneficial owners must have a valid TIN before company registration is completed (as practiced in Tanzania and Uganda). Where possible, a single unique identifier should serve both as company registration number and TIN.
- **Update existing company records:** Require companies already on the register to update their records to disclose all directors and beneficial owners, including TINs, in a standardised format.
- **Mandate regular updates:** Oblige companies to report changes in ownership or directorship within a defined period (e.g. 30 days) and through annual returns.
- **Enforce through penalties:** Introduce sanctions for late, false, or incomplete disclosures to maintain credibility of the register.

Where company registers are held outside the tax administration, access should be secured through formal data-sharing agreements and system integration (see Section 6.2 on automation and integration with third parties).

5.1.3 Tax Returns

Tax returns are the primary source of information on income and assets of HNWIs. Expanding the comprehensiveness and accuracy of returns enhances the visibility of taxpayers' financial affairs.

5.1.3.1 Income Tax Returns

- Require all individuals—including business owners, employees, and company directors taxed through the withholding system—to file annual returns, even where their income has already been subjected to a final WHT. This ensures that individuals with multiple income sources declare their total earnings, enabling the tax authority to identify high-income earners and build accurate HNWIs profiles.
- Comprehensive Income Tax Returns: Ensure that the individual income tax return is designed to capture sufficient detail for future compliance analysis and enforcement. Each income source should be declared separately, as practiced in Kenya and Uganda, to provide a full picture of a taxpayer's financial affairs. In Eswatini, each business operated by an individual is further identified using a unique number within the return, which enhances traceability and reduces opportunities for income concealment.
- Make TIN mandatory for reporting in connection with the documentation of all significant transactions.

5.1.3.2 Withholding Tax (WHT) Returns

- Require TINs to be reported for all payments subject to withholding tax, including dividends, interest, royalties, rental income and winnings from sports betting.
- If enforcing TIN reporting for all transactions is not feasible due to system limitations, introduce transaction value thresholds above which TINs must be declared, even where the withholding tax is final. This ensures visibility of significant payments while allowing flexibility for lower-value transactions.

5.1.3.3 Rental Tax Returns

Our research confirms that, in Africa, HNWIs are often the majority owners of high-value residential and commercial properties, particularly in urban areas. These assets generate significant rental income streams that must be effectively captured and monitored. To strengthen compliance, tax administrations could consider the following measures:

- **Dedicated Rental Tax Return:** Introduce a specific rental income tax return that requires detailed disclosure of all properties and tenants. Both Kenya and Uganda have adopted this model to enhance visibility of landlords' true rental income. This can also be an effective away to monitor and enforce the policy choice, if made, to ring-fence rental income from other kinds of income, as set out in Section 3.1.4 above.
- **Property-Level Accounting:** Require rental tax to be accounted for on a property-by-property basis. This ensures that expenses from properties under construction do not reduce taxable income from already operational rental properties.
- **Mandatory TIN for Tenants and Landlords returns:** Landlords should be required to declare TINs of tenants, especially when rental payments exceed a specified threshold. This supports cross-checking of reported rental income with actual tenant declarations.

- **TIN Requirement for Landlords in Tenant Returns:** Require tenants to quote the landlord's TIN in their own income tax returns before rental expenses can be claimed as deductions. This ensures that both sides of the rental transaction are visible to the tax authority.

5.1.3.4 PAYE Returns

In many ATAs, employers submit PAYE returns that only declare the aggregate value of salaries and wages, without capturing the individual identification details of employees. This creates a major visibility gap, particularly since some potential HNWIs are high-salaried earners.

While the common argument is that such income has already been taxed at source, highly paid employees often reinvest their salaries in other taxable activities—such as real estate, financial assets, or business ventures. Without proper identification, tax administrations cannot effectively monitor whether these individuals are meeting their wider tax obligations.

Moreover, without a mandatory TIN requirement, it becomes difficult to detect employees earning salaries from multiple employers or those who combine employment income with business income.

To improve visibility, African Tax Administrations could:

- Make the TIN mandatory for all employees in PAYE return submissions.
- Require employers to specifically disclose directors and senior executives in their PAYE returns to assist in identifying potential HNWIs.

5.1.4 Import and Export Data

Customs declarations are a valuable source of information for identifying luxury and high value imports and exports linked to HNWIs. High-value items such as vehicles, jewellery, art, and other luxury goods often signal wealth that must be reconciled with declared income. Tax administrations could consider the following:

- **Mandatory TIN Requirement:** Require a valid TIN for all imports and exports. Linking customs records to TINs ensures that transactions can be matched against taxpayer profiles.
- **Alternative National ID Requirement:** Where TIN enforcement for all importers/exporters is not feasible, require the use of a national identification number as a fallback to ensure traceability.
- **Threshold-Based TIN Rule:** At a minimum, enforce mandatory TIN declaration for all imports and exports that exceed a specified threshold of value. This ensures that high-value luxury transactions are always visible to the tax authority.

5.2 External Data

While internal tax administration records remain the primary source of information, leveraging external datasets is crucial to broaden the visibility of HNWIs and their wealth-related activities. These sources can complement taxpayer registers, strengthen compliance risk assessments, and provide leads for audit and investigation. While some tax administrations have embraced integration of their IT systems with other government bodies, particularly company registries and national identity registers, our research shows that such integration is often limited to validation purposes rather than full database access. For example, a tax administration may only be able to verify whether a company is duly registered with the company registry but not gain access to the full database of companies, directors, shareholders, or beneficial owners. To obtain this level of access, tax administrations typically need to sign additional memorandums of understanding (MoUs) and then be granted datasets separately, often in the form of data dumps.

Effective taxation of HNWIs requires (ATAs) to advocate for robust system integration that goes beyond simple validation and enables real-time access to critical data. Achieving these calls for a whole-of-government approach to revenue mobilization, where different agencies collaborate and share information seamlessly.

The table below presents a selection of key external datasets that tax administrations should seek to access in order to identify potential HNWIs, particularly in contexts where IT systems across government agencies remain fragmented.

Table 2: Key External Datasets for HNWIs Identification

Dataset	Variables of Interest	Period
Company Registers & Beneficial Ownership Data	Company name, registration number/TIN, directors, & their TINs or PINs shareholders, beneficial owners, percentage shareholding, updates of ownership	3–5 years of company registration and annual return filings
Property Ownership Data	Property location, size, value, type (land/building), buyer and seller TINs, transfer values, stamp duty/ transfer tax declarations	3–5 years of property transfers and ownership updates
Motor Vehicle Registers	Vehicle registration number, make/model, value, importer details, buyer and seller TINs, date of registration/transfer	3–5 years of vehicle registrations and transfers
Government Payment Data	Supplier name, TIN, type of contract, value of payments, WHT deducted, licensing/contract details	3–5 years of government contracts and payments
Bank Transaction Data	Account holder name, TIN, new accounts, closed accounts, large transactions, periodic balances, addresses	Bank account openings/closures and large-value transactions on a quarterly basis
Central Bank Data (Investments in Securities)	Investors in treasury bills, bonds, and other government securities: name, TIN, amounts invested, maturity dates	3–5 years of investment records
Stock Exchange Data	Shareholders in listed companies, trading volumes, dividends, capital gains, portfolio size, TINs of investors	3–5 years of trading and ownership records

Below, we outline key considerations for tax administrations when seeking to access these datasets, together with the essential characteristics they should possess to ensure effectiveness.

5.2.1 Company Registers and Beneficial Ownership Registers

For practical guidance on strengthening company and beneficial ownership registers as a source of HNWI information, see Section 5.1.2.

5.2.2 Property Ownership Data

HNWIs may hold wealth in real estate and high-value movable property. Property transfer data provides visibility of asset accumulation and transfers. Without proper integration, HNWIs may underreport property holdings, register assets under proxies, or exploit fragmented institutional responsibilities to conceal wealth. Weak inter-agency collaboration increases the risk of undisclosed property ownership, misreporting of transfer values, and erosion of the tax base.

To strengthen visibility in this area, tax administrations could consider the following measures:

- **Real-time access to registers:** In Togo, the cadastre (property register) is managed directly by a department within the Togolese Revenue Authority (OTR), giving the authority real-time access to property ownership and transfer data. For Tax Administrations where the property register is separate, lobby to integrate stamp duty and property transfer tax data directly with the tax administration's database to strengthen monitoring and enable cross-checking with income declarations.
- **Mandatory TINs for registration:** In many countries, property registers are managed by other government agencies, such as a Ministry of Lands or a Deeds Office. In such cases, tax administrations can lobby for a TIN to be made mandatory for anyone seeking to register property.
- **TINs in property transfers:** Property transfers typically attract fees or stamp duties. A TIN should be required for both the buyer and seller. For example, in Zambia and Uganda, although the registration process is managed by a different government agency such as the Ministries of Lands, the declaration and payment of stamp duty on property transfers (or property transfer tax as is known in Zambia) is done through the tax administration system, giving the tax authorities direct visibility into asset ownership.

5.2.3 Motor Vehicle Registers

High value motor vehicles are another indicator of wealth. These are commonly cleared through customs departments, which in many countries fall under the authority of the tax administration. In such cases, a TIN is often required. However, in some jurisdictions, individuals are still permitted to clear vehicles using only passports or national identification numbers, which limits visibility for tax purposes.

To strengthen monitoring of motor vehicle ownership, it is critical that all vehicles are cleared exclusively using a TIN as the primary identifier. In cases where vehicles are imported by car dealers for subsequent resale, dealers should not be required to register the vehicles in their own names or company names. Instead, upon sale of the vehicle, it must be made mandatory for the purchaser to first obtain a TIN before the vehicle can be registered in their name as is the case in Togo. This ensures that ownership is properly linked to the individual taxpayer from the point of registration.

Similar to property transfers such as land, the declarations for motor vehicle transfers should ideally be processed through the tax administration's systems, ensuring direct visibility of asset ownership. Where this is not possible, tax administrations should at a minimum lobby for a TIN to be made a mandatory requirement for all motor vehicle registrations and transfers.

5.2.4 Government Payment Data

Government departments are often a major consumer of goods and services, and in our study, supplying government was consistently highlighted as a significant income source for HNWIs. In many countries, suppliers must be registered taxpayers and obtain a tax clearance certificate before they can qualify as government suppliers. Government agencies are also typically required to withhold a percentage of payments under the withholding tax (WHT) regime.

While in some administrations the WHT regime requires suppliers' TINs to be declared, in others, governments only report aggregate withholding amounts without specifying the beneficiaries. This lack of detail makes it difficult for tax administrations to trace payments back to specific taxpayers and assess compliance.

To improve visibility and strengthen monitoring of HNWIs:

- Make TINs mandatory for all government payments to individuals or entities.
- Integrate government payment systems (such as Integrated Financial Management Information Systems – IFMIS) with tax administration systems to allow real-time access to supplier databases.
- Require TINs in all government procurement systems to ensure traceability of contracts and payments.
- Leverage contract and licensing data to profile suppliers and identify HNWIs benefiting from significant government expenditure.

5.2.5 Bank Transaction Data

One of the persistent challenges that ATAs face when seeking to identify HNWIs is the limited ability to access information held by financial institutions.

Most tax jurisdictions include provisions in their Tax Procedure Acts empowering tax authorities to require any person to produce information or submit documents under their control. Using these provisions, tax administrations can request banks and other financial institutions to provide information relating to taxpayers. However, in practice:

- Requests are typically successful only when they are specific to a named taxpayer (e.g., in the case of agency notices related to a tax debt).
- Broad or general requests, such as seeking information on the “top 100 clients” of a bank, are often denied, with banks citing secrecy laws.
- This means that unless requests are narrowly targeted, ATAs face an uphill task in accessing useful bank data for HNWIs identification.

Some countries have introduced innovative reforms to improve tax administrations’ access to bank information:

- **Nigeria**
  - Section 49 of the Personal Income Tax Act requires banks to obtain a TIN before opening business accounts.
  - Banks must file monthly returns listing the names and addresses of new customers.
  - Non-compliance attracts fines of NGN 500,000 for companies and NGN 50,000 for individuals.
  - Some states, such as Borno State, go even further: under Section 85 of its Re-establishment, Harmonization and Administration Law (2020), banks must file quarterly returns of all transactions above NGN 1 million (individuals) or NGN 3 million (partnerships/unincorporated entities), including the names and addresses of customers.

- **Algeria**
  - Banks are legally obliged to submit monthly reports to the DGI detailing newly opened and closed accounts.
  - A recent reform requires that a TIN must be provided when opening any bank account, strengthening traceability and enabling more accurate data matching with tax records.

To strengthen the use of bank information in identifying HNWIs, tax administrations could consider learning from peers like Nigeria and Algeria by:

- Advocating for laws requiring banks to obtain a TIN for all account holders (individuals and entities).
- Mandating periodic reporting from banks on new accounts, large transactions, and account closures.
- Integrating bank reporting systems with tax administration databases for real-time access. Where full integration is not yet feasible, require banks to file periodic returns on high-value clients (for example, quarterly reports on for example the top 100 account holders by deposits or transaction volume).
- Balance data access with privacy safeguards to maintain public trust.

5.2.6 Central Bank Data (Investments in Securities)

Another important source of information for identifying HNWIs is investment in government securities such as treasury bills, bonds, and other financial instruments issued by Central Banks. These assets often attract wealthier individuals who are able to invest in high-value, low-risk instruments, making them a useful proxy for identifying potential HNWIs.

Tax administrations may consider the following measures:

- Mandate TIN for all investments in government securities: As practiced in Kenya, opening an account for investing in treasury bills or bonds requires a KRA PIN, which serves as the taxpayer's identifier. This requirement strengthens traceability and ensures investment activities can be aligned with tax records.
- Establish formal data-sharing mechanisms: Central banks should periodically provide tax administrations with key investor information, including names, TINs, amounts invested, and maturity dates.
- Integrate Central Bank securities data with tax systems: Where possible, advocate for the integration of Central Bank investment databases with tax administration systems to enable effective, real-time compliance monitoring.

5.2.7 Stock Exchange Data

Equity investments in listed companies—through stock exchanges—are another important indicator of wealth among HNWIs. Information on shareholding, trading volumes, dividends, and capital gains provides valuable insights into asset ownership and investment behaviour, making stock exchange data a critical dataset for tax administrations.

Tax administrations may consider the following measures:

- Mandate TIN for all stock market investors: In Kenya, opening a Central Depository System (CDS) account for trading on the Nairobi Securities Exchange requires a KRA PIN, which serves as the taxpayer's identifier. This ensures traceability of investors and supports alignment of shareholding and dividend income with tax records.
- Establish formal data-sharing mechanisms: Securities exchanges and regulators should periodically share investor-level data—including shareholder names, TINs, dividends paid, and trading activity—with tax administrations.
- Integrate stock exchange data with tax systems: Where possible, promote integration of stock exchange databases with tax administration systems to enable real-time compliance monitoring, cross-checking of dividends, and detection of capital gains underreporting.

5.3 Effective Use of Data

Data is a strategic asset for tax administrations and should be treated as one. Left unused, it remains a hidden treasure with no impact on compliance or revenue mobilisation. Yet, in practice, many tax administrations struggle to fully harness the potential of their data.

A common challenge observed across jurisdictions during the ATAF study is the presence of overly restrictive data protection rules. In many administrations, even internal staff such as researchers and data analysts are not permitted to access IT systems directly. Instead, access is restricted to IT professionals whose primary responsibility is to safeguard infrastructure and data storage, rather than to analyze and interpret information. As a result, valuable datasets remain locked away, inaccessible to the very professionals who could transform them into actionable insights.

The consequence is that decision-making often proceeds without the benefit of data-driven evidence. In several countries, analysts could not even identify where key datasets were located, let alone access them for compliance monitoring.

There are, however, positive examples:

- At the KRA, URA, and Eswatini Revenue Service (ERS), data analysts have direct access to operational data. These administrations have established dedicated corporate data analysis teams, supplemented by analysts embedded in domestic tax and customs departments. This structure enhances the use of data in day-to-day compliance monitoring.
- The URA, South African Revenue Service (SARS), and Zambia Revenue Authority (ZRA) have gone even a step further. With support from UNU-WIDER, they have created data labs where anonymised tax administration data is made available to internal and external researchers. This approach promotes innovation, and maximizes the value derived from existing data while protecting taxpayer confidentiality.

For tax administrations to fully realise the value of their data, they must strike a balance: maintaining safeguards for confidentiality while enabling access for analysts and researchers who can transform data into insights. The ultimate goal is to embed a culture of evidence-based, data-driven decision-making across the institution.

Below we provide some practical considerations for Tax Administrations:

- Establish clear policies and standards for data management, including roles and responsibilities for data stewardship. This helps maintain data quality and compliance with regulations.[11].
- Adopt access tiers: Differentiate between data users (e.g., IT staff, analysts, management, external researchers) and grant role-based access to ensure confidentiality while enabling analysis.
- Use anonymisation and de-identification protocols: Provide researchers with anonymised datasets that preserve analytical value while protecting taxpayer identities.

11 For detailed information about data governance framework and benefits of data strategy refer to ATAF publication on "Development and Implementation of a Data Strategy for Tax Administrations" published in June 2025. https://ataftax.org/library/development-and-implementation-of-a-data-strategy-for-tax-administrations/

- Create centralized data access points: Establish a corporate data warehouse or data portal where internal analysts can securely access structured datasets.
- Build in accountability mechanisms: Track data access and use through audit trails to ensure compliance with data protection rules.
- Invest in analytical capacity: Train and equip dedicated data analysis teams in both domestic tax and customs to ensure that insights are consistently derived and applied.

6. Automation of IT Systems and System Integration

The ability of a tax administration to effectively identify and monitor HNWIs does not only depend on access to relevant datasets but also on the automation and integration of IT systems. Without robust digital infrastructure, even the most valuable data remains fragmented and underutilized.

6.1 Internal Automation and Integration

From the ATAF study, it was observed that while many African tax administrations have increasingly embraced automation to some degree, for many of them, systems are still in the early stages of development. In many cases, only limited taxpayer history has been migrated from legacy systems—often restricted to ledger balances—leaving significant gaps in historical records. Notable exceptions exist in countries such as South Africa, Kenya, Uganda, and Zambia, where systems have been in operation for over a decade.

Broadly, two main IT systems dominate the landscape:

- **Domestic tax management systems** covering core processes such as taxpayer registration, return filing, and payments. These systems are relatively new in many jurisdictions, with some having been operational for less than two years.
- **Customs management systems,** most commonly ASYCUDA, which appear to be more advanced and widely adopted across tax administrations.

For tax administrations—especially those still in the development phase of their IT systems—there are several critical considerations to ensure effectiveness in HNWIs monitoring:

6.1.1 Leverage national identity systems and company registers

- **Integrate with national identity systems:** Tax administrations should prioritise integration with national identification databases so that verified personal information can be automatically fetched during taxpayer registration. National ID systems generally contain more accurate and complete data, making them the strongest foundation for establishing reliable taxpayer records.
- **Require national ID at TIN registration:** Where full integration is not yet feasible, the national ID should be a mandatory requirement when applying for a TIN. This ensures that, once integration is achieved, existing records can be automatically validated, discrepancies flagged, and taxpayers prompted to update their information.

- **Update existing taxpayer profiles:** For taxpayers already registered without national ID details, the system should prompt or require them to update their profiles by providing their national identification number. Administrations may apply soft or hard blocks—such as restricting access to selected services—until the update is completed to ensure full coverage.
- **Harmonization with company registers:** Similar integration should be pursued with company registries. If tax administrations and company registration authorities use the same unique identifier, this creates consistency and traceability. A good example is Tanzania, where the company identifier doubles as the TIN.
- **Real-time integration:** To maximize effectiveness, integration between tax administration systems, national identity registers, and company registries should operate in real time, ensuring that updates to one system are instantly reflected in the other.

6.1.2 System modules information sufficiency

- While IT systems are designed to simplify processes, over-simplification can lead to the loss of critical data. One of the most common weaknesses observed in African tax administrations is simplified taxpayer registration processes that result in incomplete or unreliable taxpayer registers.
- Tax administrations should take lessons from the banking sector, which balances efficiency with rigor. For instance, in Togo and South Africa, banks require new clients to provide evidence of income sources and proof of residence and record GPS coordinates of their places of residence. This ensures that financial institutions maintain accurate and traceable client data despite operating in competitive environments.
- Similarly, taxpayer registration forms should be redesigned to ensure that essential information is captured at the point of registration. This should include, at a minimum:
  - Location details (physical address, GPS coordinates where possible)
  - Income sources (primary and secondary)
  - Sector of activity
  - Verified identification information (linked to national ID or other official documents)
- In addition, for tax return filing, administrations should review whether their current return forms collect sufficient information to support compliance not only in the short term but also in the long run. Lessons can be drawn from peers such as the Kenya Revenue Authority, whose returns are notably comprehensive. Once the forms are enhanced, tax administrations should ensure that their return filing modules in the systems are aligned with the redesigned return forms to guarantee consistency between data collection and system functionality.

6.1.3 Integration of modules within the same system

For maximum effectiveness, the different modules within a tax administration's IT system must be seamlessly integrated. Lack of integration often leads to inconsistencies, duplicate records, and compliance loopholes.

- **Registration and returns modules:** The registration module should be fully integrated with the returns filing module to prevent cases where taxpayers file returns for tax heads they are not registered for (or failing to file returns for tax heads for which they are registered).
- **Cross-validation of returns data:** Information provided in one return should be automatically validated against information already submitted in another return, or within the same return across periods. For example:
  - Data in a withholding tax return or VAT return should match the corresponding fields in the income tax return.
  - Information declared in the previous year's income tax return (e.g., closing stock, company directors) should align with the current year's return (e.g., opening stock, company directors).
- **Returns and payment modules:** Tax returns should also be integrated with the payment module to ensure that every payment is matched to a specific return, eliminating discrepancies between tax declared and tax paid.

By building such internal linkages, tax administrations can create a single source of truth, strengthen data integrity, and reduce opportunities for manipulation or error.

6.1.4 Unique Identifier Principle

To achieve consistency and accuracy across all taxpayer records, tax administrations should apply a clear "unique identifier" principle. In practice, this means using a single identifier—preferably the TIN, for all taxpayer interactions and across all IT systems.

Key elements include:

- **Single source of identifiers:** One system within the tax administration should be responsible for generating and managing TINs. All other internal systems and modules must be configured to recognise and use this identifier.
- **Universal use of TIN:** The TIN should be the mandatory reference for all taxpayer transactions, including registration, return filing, payments, refund claims, tax clearance requests, audits, objections, and enforcement actions.
- **System-based validation:** Other modules that rely on identifiers (e.g. customs, refunds, debt management) should be directly integrated with the TIN system, allowing real-time validation and preventing the use of incorrect or fabricated numbers.
- **Extension beyond the tax administration:** In line with a whole-of-government approach, tax administrations should advocate for the TIN to be captured and used by other public institutions (such as company registries, property registries, procurement systems, and financial sector regulators) to facilitate data matching and HNWIs profiling.

6.2 Automation and Integration with Third Parties

Tax administrations' access to third-party data is most commonly secured through Memoranda of Understanding (MoUs) with other government agencies. While MoUs are an important instrument for information sharing, their effectiveness is often limited by the absence of a centralized management framework within tax administrations. Typically, the legal department reviews or drafts the agreements to safeguard the institution's interests, but initiation, implementation, and monitoring are left to individual departments or divisions. This fragmented approach means that some officials are unaware of the existence of certain MoUs and therefore do not take advantage of them.

Beyond MoU management challenges, access to third-party data is further constrained by several operational and technical issues:

- **Uneven automation levels:** Government agencies are at different stages of digital development and often operate on incompatible technology platforms, complicating system-to-system integration.
- **Low automation in key registries:** Municipal property registries, for example, still rely heavily on manual processes, reducing the timeliness and reliability of data.
- **Poor data quality:** Records are frequently outdated, inaccurate, or incomplete, undermining their value for tax enforcement.
- **Different identifiers:** Even where automation exists, external institutions often use identifiers other than the TIN (e.g., national ID or institutional registration numbers), which complicates efforts to match records across systems.
- **Unstructured data sharing:** Data is often delivered in raw "data dumps" with no standardized structure or common identifier, significantly increasing the resources required to process, clean, and analyze the information.

As a result, tax administrations face considerable challenges in using third-party data effectively for compliance monitoring, particularly when seeking to identify underreported income or assets held by HNWIs. Overcoming these obstacles requires stronger inter-agency agreements, investment in shared digital infrastructure, and the adoption of standardized identifiers across government.

Below we provide some practical considerations for Tax Administrations

- **Strengthen legal and policy frameworks for data sharing:** Rather than relying solely on MoUs, tax administrations should advocate for broader legal or policy instruments that enable automatic or routine data exchange across government. In some jurisdictions, such as South Africa, inter-agency data sharing is supported by strong constitutional and legislative provisions that facilitate cooperation among government bodies. While MoUs may still be used to operationalise data-sharing arrangements, the legal framework provides a solid foundation that reduces reliance on MoUs as the primary instrument. Similarly, Uganda recently adopted a Cabinet resolution clarifying that government agencies need not sign MoUs with one another for data sharing.
- **Promote system integration through a whole-of-government approach:** Revenue mobilisation should be treated as a shared responsibility across the public sector. Tax administrations should therefore lobby for the integration of IT systems with key registries such as lands, companies, motor vehicles, and procurement platforms to improve data quality and support efficient taxpayer assessments.

- **Mandate the use of TINs across government systems:** Where possible, countries should embed TIN requirements directly in legislation or sector-specific laws to ensure that all public institutions collect and record TINs when delivering services. For example, Zambia's Income Tax Act designates specific institutions that must capture taxpayers' TINs as part of their service processes.

6.3 Data Warehouses and Business Intelligence Systems

A few tax administrations, such as KRA, URA and Zambia Revenue Authority (ZRA), have now established data warehouses with business intelligence (BI) capabilities. These systems consolidate information from different IT platforms operated within the tax administration and, where possible, integrate relevant external datasets.

Data warehouses provide a centralized repository where structured information from multiple sources can be stored, organized, and accessed. When combined with BI tools, they enable advanced data analysis, visualization, and reporting. This enhances the administration's ability to:

- Monitor taxpayer compliance trends.
- Conduct sophisticated risk assessments.
- Detect inconsistencies or anomalies across datasets.
- Support evidence-based decision-making and audit selection.

The effectiveness of such systems depends heavily on the use of a single unique identifier, such as the TIN, across all IT systems and external data sources. As discussed earlier, standardized identifiers are what make it possible to consolidate taxpayer data, match records, and generate a holistic view of HNWIs.

Other tax administrations could consider learning from these sister agencies on the continent by studying their approaches to building data warehouses and deploying BI tools. Such peer learning would accelerate adoption, reduce costly trial-and-error, and promote regional best practices in leveraging data for compliance and risk management.

7. Stakeholders to Be Engaged for Effective Taxation of HNWIs and Cross-cutting Messages

For effective establishment and functioning of HNWIs Unit, African Tax Administrations (ATAs) must engage a wide range of stakeholders. The support and cooperation of these stakeholders ensure credibility, access to third-party data, political backing, professional collaboration, and public acceptance.

7.1 Stakeholders to be Engaged

The following categories of stakeholders need to be considered:

7.1.1 Political Leadership

Political leadership, including but not limited to Ministers of Finance, Parliamentarians and their respective committees, and in some contexts the Head of State or members of Cabinet are some of the important stakeholders to be engaged.

The taxation of HNWIs is inherently political and often subject to interference, as some wealthy individuals either maintain strong political connections or are politicians themselves. Lessons from ATAF studies across the continent reveal that, in certain African countries, politicians have gone as far as enacting laws that restrict the sharing of information with tax administrations. Such measures have hampered the ability of administrations to obtain the requisite data needed to effectively audit taxpayers.

Securing political backing from high-ranking leaders therefore becomes critical, as it provides legitimacy and shields officials in the HNWI Unit from undue pressure or obstruction. In addition, building political support helps tax administrations to navigate the sensitivities of taxing influential individuals and politically exposed persons (PEPs), while also facilitating access to the necessary data and enabling system integrations across government institutions.

7.1.2 Senior Management of the Tax Administration

Within the ATAs, endorsement from the Commissioner General, or Director General, and other senior management leaders within the tax administration such as heads of domestic taxes departments, or large taxpayer units among others is essential. In Uganda, for instance, internal leadership support within the URA has been cited as one of the key factors behind the initial success of the HNWI/VIP unit at the Uganda Revenue Authority (URA). The Commissioner General and the Commissioner for Domestic Taxes were particularly committed to ensuring the effective implementation of HNWIs taxation. In some instances, these leaders personally attended initial meetings with individuals identified as HNWIs, demonstrating high-level engagement. Additionally, other senior officials, including Commissioners and Assistant Commissioners, were actively involved in developing the criteria for identifying HNWIs, reinforcing the leadership's dedication to the initiative, (Kangave et. al., 2018).

Internal buy-in secures resources, ensures the Unit is embedded within broader compliance strategies, and provides top-level support in dealing with high-profile cases.

Without internal support from executive management, the Unit risks being marginalised or under-resourced.

7.1.3 Heads of Government Ministries, Departments, and Agencies (MDAs)

Effective HNWIs administration requires access to multiple external datasets and inter-agency collaboration. MDAs hold critical third-party data that the ATAs cannot generate alone. Engagement with them ensures timely access, consistent identifiers (such as TINs/NINs), and improved profiling of HNWIs. The support from the leaders of these different agencies is also key for system-to-system integrations.

Key MDAs may include:

Table 3: Key Stakeholders for Tax Administration Engagement

Stakeholder (MDA)	Reason for Engagement (Data & System Integration Needs)
Ministry of Finance	Provide data on government payments and enable integration with government payment systems to monitor income flows of government service providers.
Financial Intelligence Units (FIUs)	Provide suspicious transaction reports (STRs) and anti-money laundering (AML) insights that help detect hidden wealth, illicit flows, and unusual financial activities of HNWIs.
Central Banks	Enable oversight of bank accounts, cross-border financial flows, and financial sector compliance; critical for monitoring movement of funds and ensuring integration with payment and reporting systems.
Commercial Banks & Asset Management companies	Provides financial services including advisory on investment options. The information and data about daily transections and acquisition of assets by customers would include transactions made by the HNWIs.
Company Registries & Beneficial Ownership Registers	Provide data on legal entities, shareholders, and ultimate beneficial owners; essential for detecting shell companies, nominee arrangements, and proxies used to conceal ownership.
Land & Real Estate Registries	Provide property ownership and valuation data, crucial for assessing asset holdings, wealth accumulation, and potential undeclared income streams.
Customs Authorities	Supply import and export declarations, including data on high-value and luxury goods, vehicles, and art; key for identifying lifestyle indicators and wealth beyond declared income.
Procurement Agencies	Provide information on government contracts and tenders awarded to individuals or entities linked to HNWIs, useful for identifying undeclared sources of income and politically exposed persons (PEPs).
Road Transport Departments	Provide data on motor vehicle registrations, crucial for assessing ownership of high-value vehicles as indicators of wealth and potential undeclared income.

7.1.4 Professional and Business Associations

Professional bodies such as accountancy institutes, tax agent associations, notarial councils, and chambers of commerce should also be engaged.

This is mainly because HNWIs rely heavily on advisors to manage their tax affairs. Engaging these associations promotes professional ethics, clarifies compliance expectations, and reduces the risk of tax avoidance schemes being facilitated by professionals.

Business associations also provide channels for dialogue, voluntary disclosure, and trust-building.

7.1.5 Civil Society and the Public

Engagement with civil society organisations (CSOs) and media is essential for building transparency and fairness narratives.

CSOs help shape public discourse, while responsible media engagement ensures consistency of messaging and enhances public trust in the reform.

7.1.6 International and Regional Partners

Peer institutions such as ATAF, OECD, the Global Forum, and FATF, alongside other tax administrations, should be engaged.

These partners provide technical expertise, capacity building, and comparative lessons from jurisdictions with established HNWI Units (e.g., South Africa, Uganda, Kenya, Australia). They also facilitate exchange of information and alignment with global standards on beneficial ownership, AML, and information sharing. Leveraging the support of these international organisations can also help to bolster efforts to secure the necessary domestic political support for reforms and operational changes related to HNWIs.

7.2 Cross-Cutting Communication Messages

Across all stakeholder groups, ATAs should emphasise the following key messages:

- This is not a new tax, but a strategy to ensure fairness and compliance under existing laws.
- HNWIs will benefit from enhanced services (dedicated relationship managers, tailored support, and timely updates).
- The initial approach will focus on cooperative compliance, but persistent non-compliance will trigger audits, investigations, and penalties.

8. The Political Dynamics of Taxing HNWIs in Africa

8.1 Introduction

Taxing HNWIs in Africa is never just a technical exercise—it is also a political one. In most African countries, wealthy individuals are either part of the political establishment, closely connected to it, or derive protection from political influence. This makes their taxation highly sensitive, with risks of interference, resistance, and even intimidation of tax officials. The only partial exception identified in ATAF research was Algeria, where political interference was reported to be less pronounced. This chapter looks at how politics shapes the way HNWIs are taxed, showing how laws and administrative systems are sometimes used to protect the interests of elites. It also proffers a few lessons from developed countries, where financial information, especially bank data is more openly shared with tax authorities, making the system more transparent and accountable.

8.2 The Dual Role of Politicians: Wealth Holders and Gatekeepers

In many African countries, wealth and political power are tightly connected. Politicians and other politically exposed persons (PEPs) may get privileged access to government contracts, land and mining rights, or control of state-owned enterprises. This creates a dilemma, wherein they are both taxpayers and the very gatekeepers of tax policy. ATAF research revealed that in some jurisdictions, politicians have passed laws that deliberately restrict data sharing with tax administrations, leaving blind spots in enforcement. Stakeholder interviews confirm that political elites often block reforms such as beneficial ownership registries or automatic access to bank data, fearing exposure of their own wealth. Their dual role as HNWIs and as policymakers creates deep conflicts of interest that undermine fair taxation.

8.3 The Challenges from Politicians and Politically Exposed Persons

The following are some of the challenges emanating from politics as unearthed by the ATAF research in the different countries:

- **Political Restrictions on Data Access.** Access to reliable data is the backbone of effective HNWIs taxation. Yet across Africa, political interference often undermines tax administrations' ability to obtain or use information. Politically connected elites benefit when access is blocked, delayed, or diluted. This manifests in three main ways:
    - **Restrictive data protection and secrecy laws:** While Tax Procedure Acts in many African countries already grant tax administrations unqualified powers to access third-party information for tax purposes, the recent wave of data protection laws—enacted and publicised in the past few years—has introduced new barriers. Politicians and their allies frequently invoke "privacy" provisions in these data protection laws to resist requests for tax-relevant data, even where tax laws are clear. Banking secrecy compounds the challenge, with financial institutions often releasing customer information only on a case-by-case basis and in some cases requiring court orders. This tension between long-standing tax enforcement powers and newer data protection frameworks has become a significant obstacle to the systematic monitoring of HNWIs.

- **Delays and dilution of reforms:** Legislatures may intentionally stall or water down reforms aimed at integrating registries across land, company ownership, trusts, or vehicles. Such fragmentation benefits influential individuals, allowing them to obscure their wealth across multiple unlinked systems. In some jurisdictions, reforms have even reversed earlier gains: for instance, the mandates for declaring stamp duty on property transfers and registering motor vehicles were removed from some of the tax administrations' systems and shifted to other ministries or departments, where processes remained largely manual. As a result, the tax authorities lost direct visibility into both property and motor vehicle transfers, two critical markers of wealth, undermining their ability to monitor HNWIs effectively.
- **Blocking transparency measures:** Proposals to establish beneficial ownership registers, automatic access to bank data, or mandatory TIN requirements are sometimes opposed outright by political elites who fear exposure of their hidden wealth.

- **Weakening Tax Administration Autonomy:** In many African countries, tax officials face intimidation when attempting to enforce compliance among politically connected individuals or military officials. Threats of retaliation, whether through transfers, disciplinary measures, or personal harassment undermine the confidence of staff and discourage them from pursuing cases against HNWIs. This culture of fear weakens the autonomy of tax administrations, leaving them dependent on high-level political backing to act decisively. Without clear legal protections and institutional safeguards, tax officials may avoid politically sensitive cases altogether, leading to selective enforcement and erosion of trust in the fairness of the tax system.
- **Selective Enforcement and Protection of Allie:** Some politicians influence decisions on who gets audited. This creates a culture of selective enforcement where allies are shielded while rivals are targeted, eroding trust in the tax system. In some countries, stakeholder interviews revealed that political pressure sometimes prevents audits of prominent individuals, undermining fairness in enforcement. Such political shielding means that even when the legal framework is strong, enforcement becomes inconsistent and ineffective.

8.4 Lessons from OECD Countries

The challenges outlined in Section 8.2 contrast sharply with the situation in developed economies. The following are some of the highlights of these discrepancies:

- In developed economies, HNWIs taxation is supported by strong institutional mechanisms. For instance, there are mandatory filing requirements, where high-income earners are obliged to file comprehensive returns, even where taxes are withheld at source. By contrast, in many African countries, filing obligations are weak, leaving HNWIs income streams outside systematic reporting.
- In developed economies, through Automatic Exchange of Information (AEOI), Financial institutions collect and report account details, including beneficial ownership, to tax authorities, with data shared across borders annually. By contrast, in Africa, access to banking data is more discretionary and limited. Amongst other factors, political will and resource constraints contribute to low uptake of AEOI.
- Due to the independence granted to institutions in developed economies, tax administrations are often insulated from political interference, supported by courts and parliamentary oversight that ensure equal application of tax laws. By contrast, in Africa, tax administrations are not fully shielded from political pressure, especially when taxpayers under scrutiny are senior politicians or their associates.

8.5 Guidance to Tax Administrations on Navigating Political Realities

Navigating the political dynamics of taxing HNWIs requires more than technical reforms; it demands deliberate strategies to manage perceptions, secure protection for staff, and build legitimacy for reforms.

Rather than introducing entirely new tools, this Guide emphasises that many of the political challenges associated with taxing HNWIs can be mitigated through the consistent application of measures outlined earlier in the Guide. In particular:

- Strategic naming and positioning of HNWI units (Section 4) can reduce political resistance and avoid perceptions of targeting or punishment.
- Structured stakeholder engagement, including engagement with political leadership, senior tax administration management, and key institutions (Section 7), can provide legitimacy and protection for reforms.
- Clear and consistent communication and messaging that frames HNWI taxation as a fairness and compliance issue—rather than a new tax—can help build public support and limit elite pushback (Section 7.7).
- Balancing enforcement with enhanced service delivery, such as dedicated relationship management for high-profile taxpayers (Section 4), can improve cooperation while maintaining credibility.

9. Conclusion and Next Steps

This Guide has demonstrated that the effective taxation of HNWIs in Africa is not beyond reach, but requires deliberate reforms, strong political commitment, and sustained institutional investment. Across all the participating countries, the research has shown that many tax administrations already possess important legal and administrative foundations for taxing the wealthy. At the same time, persistent gaps remain, such as inconsistent legal provisions, weak access to third-party data, fragmented IT systems, political interference, and limited specialized skills.

The lessons highlighted throughout this guide underline that success depends on a holistic approach. Tax administrations cannot rely on single interventions; instead, they must strengthen legal frameworks, invest in administrative reforms, expand access to reliable data, integrate IT systems, and build political will. Equally, the taxation of HNWIs must be framed as an issue of fairness and equity, ensuring that the wealthiest contribute proportionately to national development alongside ordinary citizens.

Moving forward, African tax administrations and tax policy makers are encouraged to use the guidance provided in this Guide to review and align their legal frameworks, strengthen administrative framework, and improve data governance through integration with external registries and financial systems. Political support will be crucial to shield officials from interference, while regional cooperation and peer learning through ATAF will help sustain reforms and address cross-border challenges.

ATAF remains committed to supporting its member countries in advancing this agenda through tailored technical assistance, research, peer-learning opportunities, and regional platforms for exchange of experiences. The insights captured in this Guide will also inform ATAF's broader work on equity in taxation, international tax cooperation, and building resilient African tax systems.

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TAX

Annex 1: Legal Framework Checklist for Taxing HNWIs

Use this checklist to verify whether the minimum legal provisions discussed in Section 3 are in place. Tick Yes/No and note any gaps to inform your reform plan.

Area	Key Questions	Yes/No	Minimum Legal Provision
Income Coverage	Is employment income comprehensively covered, including salaries, bonuses, stock-based compensation, severance and non-compete payments, benefits and non-cash allowances?		PIT provisions clearly defining employment income to include all cash and non-cash remuneration, bonuses and fringe benefits.
	Is investment income such as dividends, interest and returns on government securities covered in law?		PIT provisions covering all forms of passive investment income, including dividends, interest and income from treasury bills and government bonds.
	Is income from capital market securities and other financial instruments (including derivatives and similar products) clearly included in the tax base?		Provisions taxing income and gains from financial instruments and capital market securities with clear scope and rates.
	Are capital gains on property, shares, businesses and virtual/crypto assets taxed under clear rules?		Capital gains tax provisions (or equivalent) defining taxable events, rates, exemptions and valuation rules for disposals of property, shares, businesses and virtual assets.
	Is rental income clearly included in the tax base with adequate disclosure requirements in the law?		Statutory provisions bringing rental income into the tax base with requirements to declare all rental properties and related income on returns.
	Are property transfer taxes or stamp duties provided for on transfers of land, buildings, shares and similar assets?		Legislation imposing property transfer tax and/or stamp duty on relevant asset transfers with clear taxable events and rates.

Area	Key Questions	Yes/No	Minimum Legal Provision
Income Coverage	Are royalties, licensing fees and other income from intellectual property clearly defined and taxed?		Provisions defining intellectual property income (royalties, licence fees and similar consideration) as taxable, with scope for withholding tax on such payments.
	Is professional and consultancy income (e.g. law, medicine, engineering, accounting, management services) clearly included in the tax base?		PIT/CIT provisions clearly bringing professional and consultancy fees into the tax net as business or personal income.
	Are gains and income from crypto assets and tokens brought into the tax net?		Provisions treating gains or income from crypto assets and similar digital instruments as taxable and permitting simplified registration and/or withholding by foreign platform operators.
	Does the law treat all income as taxable regardless of whether it is earned legally or illegally?		General charging provisions confirming that illegal and informal income is taxable and can be assessed with penalties and sanctions for non-disclosure.
	Are gifts and wealth transfers, particularly between related parties, subject to clear tax and disclosure rules?		Legal provisions defining taxable gifts, setting reporting thresholds and empowering the administration to re-characterise disguised gifts as income using anti-avoidance rules.
	Does the legal framework provide for exit tax or equivalent rules for individuals ceasing tax residence?		Exit tax provisions deeming a disposal of specified assets on cessation of residence, with thresholds or conditions targeting HNWIs and supporting administrative enforcement measures.

Area	Key Questions	Yes/No	Minimum Legal Provision
Tax Regime	Does the law tax residents on worldwide income (residence-based), or at least require disclosure of worldwide income?		Residence-based regime for individuals; where a source-based regime applies, statutes requiring disclosure of worldwide income by residents.
	Are source rules for domestic and foreign-source income clearly defined in domestic law?		Income tax legislation defining domestic-source and foreign-source income for key categories (employment, business, investment, property, services).
Withholding Taxes	Are withholding tax rules in place for dividends and interest (including government securities, T-bills and bonds)?		Comprehensive WHT provisions on investment income with clearly prescribed rates, scope and agents.
	Is withholding tax applied to rental payments where feasible?		Legal basis empowering the tax authority to appoint withholding agents for rental income and prescribe applicable WHT rates.
	Is withholding tax applied to professional, consultancy, management and agency fees?		Statutory WHT on service fees with clearly defined covered services and rates, including payments by corporate and government clients.
	Do withholding tax returns require the beneficiary's TIN and other unique identifiers in law?		Legal requirement for withholding agents to report payees' TINs/PINs and other identifying information in WHT returns.
	Are government entities required to withhold tax and report TINs on all taxable supplier payments?		Statutory provisions obliging government entities to withhold tax on specified payments and report supplier TINs to the tax administration.

Area	Key Questions	Yes/No	Minimum Legal Provision
Rental & Property	Is rental income ring-fenced from other business losses to protect the rental tax base?		Ring-fencing provisions in the Income Tax law preventing unrelated business losses from being offset against rental income.
	Is there a dedicated or streamlined rental tax return or return schedule in law or regulations?		Legal or regulatory requirement for a separate rental return or schedule capturing property-level information.
	Is a TIN mandatory in law for property registration and transfer for both buyer and seller?		Land, stamp duty or property transfer legislation requiring TINs for all parties as a condition for registering transfers.
	Do land, stamp duty or property transfer laws provide legal gateways for data-sharing with the tax authority?		Provisions authorising the tax administration to access and use data from land and property registries for tax purposes.
Anti-Avoidance	Does the law include a General Anti-Avoidance Rule (GAAR)?		GAAR provisions empowering the tax authority to disregard or re-characterise arrangements lacking commercial substance and primarily designed to avoid or defer tax.
	Are Specific Anti-Avoidance Rules (SAAR) in place (e.g. transfer pricing, and GAAR?		SAAR targeting transfer pricing, thin-capitalisation and similar risks, including rules that apply to arrangements involving individuals.
	Are beneficial owners of companies, trusts and similar arrangements required to be disclosed with TINs?		Mandatory beneficial-ownership disclosure requirements in company, trust or tax law, including collection of TINs for beneficial owners.
	Are lifestyle audit powers recognised in law to reconcile declared income with expenditure and assets?		Statutory authority allowing the tax administration to request information and conduct lifestyle or net-worth audits.

Area	Key Questions	Yes/No	Minimum Legal Provision
Data Access: Filing	Are individuals above certain thresholds required to file annual returns even where PAYE/WHT applies?		Legal provisions establishing mandatory filing thresholds for individuals notwithstanding PAYE/WHT collection.
	Do return forms, as prescribed in law or regulations, require disclosure of all income streams, including passive and foreign income?		Statutory or regulatory requirements for comprehensive income tax returns covering all domestic and foreign income sources.
Data Access: Third-Party	Can the tax authority compel information from banks, land registries, company registries and other agencies?		Clear statutory powers for third-party information notices to financial institutions, registries and public bodies.
	Are banks required by law to collect TINs at account opening and file periodic returns on new and closed accounts?		Banking or tax laws requiring TIN collection for account holders and regular reporting of account openings and closures to the tax authority.
	Is mandatory periodic reporting of high-value transactions by banks provided for in law?		Legal requirement for periodic (e.g. quarterly) reporting of large transactions above specified thresholds.
	Are government payment systems legally required to include TINs and share information with the tax administration?		Statutory obligations for government entities to include TINs in payment records and share this data with the tax authority.
Data Protection	Do data protection laws include explicit carve-outs or exemptions for tax enforcement and revenue administration?		Statutory exemptions in data protection law allowing the tax administration to access and process data for tax purposes.
	Do tax or data protection laws require safeguards such as audit trails and data minimisation when accessing personal data?		Legal or regulatory requirements for secure handling of taxpayer data, including audit trails and data-minimisation principles.

Area	Key Questions	Yes/No	Minimum Legal Provision
Exchange of Information (EOI)	Does the legal framework allow conclusion and implementation of DTAs with exchange-of-information articles?		Enabling provisions for DTAs including EOI articles consistent with international standards.
	Has the country concluded TIEAs where needed in the absence of DTAs?		Legal authority and practice to conclude and implement TIEAs.
	Has the country signed and ratified multilateral and regional instruments such as the MAAC and ATAF's AMATM, and joined the Global Forum?		Ratification of the MAAC and/or AMATM and Global Forum membership, with implementing legislation in force.
	Is the tax authority designated in law as the Competent Authority for exchange of information?		Legal designation of the tax administration (or a specified office within it) as Competent Authority, with defined powers and responsibilities.
	Are CRS/AEOI rules adopted domestically requiring financial institutions to collect and report TINs and account information?		Domestic CRS/AEOI regulations imposing due-diligence and reporting obligations on financial institutions with sanctions for non-compliance.
Identifiers & Systems (Legal)	Is there a legal or policy framework requiring use of a single identifier (TIN) across tax and customs systems?		Tax and customs legislation or regulations establishing the TIN as the unique identifier for all taxpayer interactions.
	Are key third-party institutions (land registry, motor vehicle authority, stock exchange, procurement bodies) legally required to capture TINs in their records?		Sectoral laws or regulations mandating capture of TINs in core registries (land, vehicles, securities, public procurement).

Area	Key Questions	Yes/No	Minimum Legal Provision
Wealth Tax (if applicable)	If a wealth tax exists, is there a wealth tax statute with broad coverage, minimal exemptions and clear valuation rules?		Wealth tax legislation defining scope, covered asset classes, limited exemptions and valuation standards. Applicable only where a wealth tax has been adopted; not a recommended minimum provision.
	Are wealth tax declarations required at regular intervals and linked legally to registry data (property, financial assets, vehicles)?		Legal requirements for periodic wealth declarations and authority to cross-check against property, financial and vehicle registries.
	Does the legal framework provide sufficient enforcement powers for wealth tax, including audits, lifestyle audits and penalties?		Explicit statutory powers and penalties for wealth tax assessment, audit and enforcement, including use of lifestyle or net-worth analysis.

Notes

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