



TEITI/MIN.44/2014

Re: Tanzania EITI Multi-Stakeholders Working Group

Minutes of the Ordinary 44th MSG Meeting Held at International House, TEITI Board Room. On June 6th, 2014

**TEITI-MSG Members
PRESENT**

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| 1. Hon. Mark Bomani | Chairperson |
| 2. Ms. Blandina Sembu | MSG-Member-CSOs |
| 3. Mbaraka H. Igangula | MSG-Member-CSOs |
| 4. Mr. Amani Mhinda | MSG-Member-CSOs |
| 5. Mr. Bubelwa Kaiza | MSG-Member-CSOs |
| 6. Mr. Kharist M. Luanda | MSG-Member- Government |
| 7. Mr. Alfred Mwaswenya | MSG-Member-Industry (ASM) |
| 8. Mr. Gerald Mturi | MSG-Member-Industry (TCME) |
| 9. Eng. Emmanuel Jengo | MSG-Member-Industry (TCME) |
| 10. Laurent Kadashi | (Alt. Mr. Alferd Mregi -MSG-Member-Government) |
| 11. Salim. M. Salim | (Alt.Eng. Paul Masanja-MSG-Member- Government) |
| 12. Mr. Francis Chacha | (Alt.Mr. Alfred Missana-MSG-Member- Government) |
| 13. Mr. Lars Sorensen | (Alt.Ms. Kate Methley-MSG-Member-Industry (OGAT) |
| 14. Mr. Nyanda Shuli | (Alt.Mr. Godvictor Lyimo-MSG-Member-Industry (TCME) |

ABSENT WITH APOLOGY

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| 15. Bish. Stephen Munga | MSG-Members-CSOs |
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INVITED GUESTS

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| 16. Mr. Silas Olang | Revenue Watch Institute |
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Agenda

Agenda Item 1: Welcoming Statement

The Chairperson called the meeting to order at 10:15 a.m.

Agenda Item 2: Adoption of the Agenda

The agenda was adopted and approved.

Agenda Item 3: Approval of Minutes of the 42nd MSG-Meeting

The minutes were approved without amendments.

Agenda Item 4: Matters arising from the 42nd MSG-Meeting

Matters arising were approved without changes.

Agenda Item 5: Discussion on the Draft 4th TEITI Report

Members discussed and commented on the following issues within the draft report ;

(i) Section 3.7.1: Treatment of VAT payment offsets against Corporation tax

MSG noted some inconsistency on how payment of corporation tax are reported where such payment are offset against VAT liability. In addition, total liability of VAT owed is not provided and whether the agreements is for each fiscal year or for the period till total VAT owed is settled. In view of these observations, MSG asked the Secretariat to advise reconciler on the following to make it easy for the reader to follow-up and compare data in the report:

- Provide list of companies (including cement companies) paid corporation tax stating amounts (even if the tax was offset against VAT claim);
- Include statement or explanations on other companies that are yet to pay corporation tax
- Provide statement that reflects remaining VAT owed and relate to the amounts filed in the template after offsets

Provide statement/explanation on GGM corporate tax payments reported in Third Report (Highlight Section) where it was reported USD 51 million was offsetted against VAT claim for the calendar year ended 31st December 2011. In this report under review, (July 2011 to June 2012) it has been reported that GGM paid corporation tax amounting to TzS 88,143,055,206 (equivalent to USD 54.5 million) and TRA acknowledged to have received the same (Pg. 77). Reconciler was asked to clarify if the entire USD 51 million which cover the second half (July - December 2011) of fiscal year 2011/12 was offsetted.

(ii) Section 8.3 - Production data

Under this section, Members noted that data provided were from one source i.e. mining companies (unilateral disclosure). However, in section 5.1.2 (b) the reconciler provided supplementary data from TMAA but, could not compare with other data in the report as they are in aggregate form and in calendar year. Since TMAA provides figures also on monthly basis, MSG asked Secretariat to advise the Reconciler to include the data that match with reporting fiscal year.

(iii) Section 3.3.1- Paragraph 2 and 3

Members noted inconsistency on the date of the deadline for returning reporting templates and asked for clarification. Other general comments were provided for reconciler to improve the draft report for providing clarity to readers.

Agenda Item 6: G8-Tanzania partnership Draft Annual Activity Report

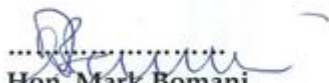
MSG Members discussed the draft report and agreed to submit inputs and comments to the Secretariat.

AOB

Date of the Next Meeting:

To be communicated by the Secretariat.

The Meeting was closed at 2:30pm.


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Hon. Mark Bomani
Chairperson-TEITI


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Mr. Benedict Mushingwe
Executive Secretary-TEITI