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Diffusion of OECD Transfer Pricing Regulations in Eastern Africa: Agency and Compliance in Governing Profit-Shifting Behaviour

Cassandra Vet

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Summary

Eastern African countries have codified transfer pricing regulations in their efforts to ring-fence corporate tax revenue against profit shifting by multinational companies. Kenya (in 2006), Uganda (2011) and Rwanda (2020) used the dominant OECD transfer pricing guidelines as a template for reform. The wisdom of this approach for developing countries is contested in academic and civil society literature. According to this view, Western states largely dominate rule-setting procedures, and the costly enforcement of transfer pricing drains the scarce resources of revenue authorities.

How can we reconcile the critical perspective in global debates with the roll-out of OECD-type transfer pricing regimes on the ground? Case study evidence collected in these countries reveals that policymakers prefer anti-avoidance measures that are widespread and considered global practice. The widespread adoption of OECD transfer pricing norms worldwide gives them a unique compatibility advantage – this allows governments to adopt them as a way to raise public revenue, without compromising their attractiveness to investors. These network externalities are among the powerful lock-in effects that have cemented the position of the OECD guidelines in global tax governance.

This study complements this narrative with a more bottom-up perspective. This highlights how domestic coalitions drive support for the OECD framework by mobilising both ideational and economic network effects. From this perspective the OECD rules are still an authoritative focal point for policymakers because interested social groups leverage concern about investor attractiveness. Ideational incentives shape bureaucratic policy advice to OECD standards. Civil society organisations, despite their critical stance towards the OECD guidelines at a global level, did not coalesce around a specific alternative – and instead raised the urgency of increasing public revenue.

Keywords: transfer pricing; global tax governance; developing countries; network effects; corporate tax avoidance; OECD; sub-Saharan Africa.

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Acronyms

ATAF	African Tax Administration Forum
CSO	Civil society organisation
EAC	East African Community
FDI	Foreign direct investment
ITA	Income Tax Act
KRA	Kenya Revenue Authority
MNE	Multinational enterprise
OECD	Organisation for Economic Co-operation and Development
RRA	Rwanda Revenue Authority
TIWB	Tax Inspectors Without Borders
UN	United Nations
URA	Uganda Revenue Authority

1 What's up with transfer pricing?

The concept of transfer pricing does not register with most people. But corporate tax avoidance schemes have become politicised over recent years – multinational enterprises (MNEs) have often exploited transfer pricing rules to minimise their tax burden (Christensen and Hearson 2019; Dallyn 2017). Transfer pricing refers to the pricing of related party transactions – this effectively decides how MNEs split profit and loss over their corporate entities, and over the different tax jurisdictions in which the MNE operates, according to the tax benefits available (Bryan et al. 2017). As a result, governments try to regulate transfer pricing behaviour to protect their tax revenue (Dharmapala 2014; Heckemeyer and Overesch 2017; Sikka and Willmott 2010).

Globally, the response has been to establish guidelines for the adoption of transfer pricing regulations in national law. These stipulate that transfer prices should be at arm's length, or correspond to the prices that would have been set if the parties had been unrelated. These global guidelines set out the methodology and accounting methods that companies and tax administrations should use to compute these prices, and enable revenue authorities to audit cross-border strategies to allocate profit. The Organisation for Economic Co-operation and Development (OECD), the global centre of tax expertise, plays a leading role in developing these guidelines. As I explain below, the desirability of this transfer pricing regime for developing countries is contested (Dean 2021; Picciotto 2018b).

Developing countries suffer the most from the effects of corporate profit shifting (Cobham and Jansky 2018), and have been advised to implement transfer pricing governance to reduce loss of tax revenue. Consequently, donors, the OECD and the regional African Tax Administration Forum (ATAF) help sub-Saharan African countries to adopt national transfer pricing rules, and train tax officials to conduct transfer pricing audits to check if transfer prices are at arm's length (ATAF 2021a; Cortés Saenz and Ryding 2016; OECD/UNDP 2020; Vis and Mucyurabuhoro 2020).

However, critical authors in academia suggest that these countries might be better-off with alternative, simplified transfer pricing rules (Dean 2021; Picciotto and Dean 2012; Ezenagu 2019; Mehta and Siu 2016; Picciotto 2018b; Titus 2021; Waris 2013). The growing complexity inherent to the OECD transfer pricing guidelines creates a large administrative burden. Transfer prices are fact-sensitive. Revenue authorities are at a disadvantage, as multinationals inevitably have more information on the facts and circumstances of their transactions (Kadet et al. 2018; de Mooij and Liu 2018). In addition, globally available databases of comparable transactions lack the data needed to check if transfer prices are at arm's length, particularly in Africa (Waris 2013). Companies find it less profitable to collect this data because there is less demand for it, and the smaller size of African markets, together with fewer transactions taking place, means there are less available comparable transactions (BEPS Monitoring Group 2018; Falcão 2010). This lack of comparables, along with the bias in access to information, adds to the length and uncertainty of transfer pricing audits within African revenue authorities.

There are very few non-OECD approaches to attribute profits in cross-border taxation in sub-Saharan Africa – although some low-income countries' adoption of OECD transfer pricing rules is largely symbolic (Tilahun and Yihdego forthcoming). This leaves us with the question why OECD transfer pricing guidelines prove such a powerful focal point for governments in sub-Saharan Africa, even if critical authors suggest this may not be the most appropriate approach. This paper looks into what is behind the network effects that steer the commitment of these countries to OECD transfer pricing methodology.

This bottom-up approach highlights agency within historical institutionalist theory explaining regime stability. A process-tracing methodology guides this study – emphasising activities, and the empirical footprint of causal mechanisms found in within-case evidence. I conducted interviews in Kenya, Uganda and Rwanda, three Eastern Africa countries that have implemented transfer pricing norms.[1] The selection of these three positive, and therefore data-rich, cases enable us to trace information on decision making (Beach and Pedersen 2018). Meanwhile, these countries have meaningful differences in the timing for codification of transfer pricing rules, the strength of coalitions supporting and potentially challenging these rules, which facilitates the triangulation and validation of the findings. The findings suggest that the OECD rules remain such an authoritative focal point for policymakers as interested social groups leverage concern about investor attractiveness, and because there are few effective coalitions challenging the OECD framework.

This paper starts by discussing previous literature explaining norm diffusion and compliance in global tax governance, where I point out the need to take a bottom-up approach to explain the appeal of OECD transfer pricing rules. This is followed by a discussion of process tracing methodology, and how trace evidence was collected and analysed. Afterwards, I explain events that opened up space for an anti-avoidance policy, and compare the sustained commitment of Kenya, Rwanda and Uganda to their transfer pricing regime. This is followed by an analysis of how revenue authorities and tax advisors influence government' decision-making, before looking at the reasons behind the lack of an effective coalition challenging the dominance of OECD norms. I conclude that network effects give the OECD norms an added advantage when policymakers try to find a balance between combatting tax arbitrage and securing investor attractiveness, but that the strength of these network effects depends on those leveraging concerns on investor attractiveness domestically.

2 Lack of change within the global tax regime

Scholars of global tax governance have been questioning why the regime seems so resilient to change (Brugger and Engebretsen 2020; Lesage et al. 2020; Rixen 2011; Lips 2019). These studies tend to look at global- or transnational-level dynamics, regardless of the fact that the OECD transfer pricing regime gets its strength and resilience from the willingness of national state agents to articulate these international soft law standards (Grinberg 2016; Hearson 2018a). To fill this gap, this study concentrates on the national reproduction of these global norms. As global authority cannot be detached from national reproduction, I start from the main schools of thought explaining the authority and resilience of the global OECD norms.

On one hand, more constructivist-oriented scholars focus on the politics of expertise (Büttner and Thiemann 2017; Christensen 2020; Seabrooke and Wigan 2016), the narrow ideological base within tax policy platforms (Magalhaes 2018; Ylonen and Teivainen 2018), and the epistemic power of the OECD (Grinberg 2016; Picciotto 2015). From this angle, the authority of the OECD regime is an outcome of the expertise-based epistemic power of the organisation's tax bodies (Büttner and Thiemann 2017; Hearson 2018b; Magalhaes 2018), and the transnational network of experts coalescing around them. The focus is on bureaucratic technicians as the channel for global to national policy transfusion (Eccleston and Woodward 2014). However, this narrative leaves little space for domestic interests, and largely neglects differences in the timing, speed and depth of adoption (Eden et al. 2001).

[1] Causal outcomes are observable. In this case, all three countries adopted OECD-based transfer pricing methodology.

On the other hand, historical institutionalists explain the resilience of the regime through path dependency. One such driver 'locking in' the OECD approach to transfer pricing are network effects (Baistrocchi 2013; Dagan 2018). Here, the broadening adoption of these standards worldwide add to their desirability, as the compatibility advantage of the norm grows with their continued adoption (Baistrocchi 2013). This compatibility advantage might weigh heavily during government decision-making, as it is tied to concerns for investor attractiveness (Dagan 2018). The expectation is that transfer pricing methodologies that do not have many users create higher costs of investment, as investors need to learn about the new standards, handle uncertainty on interpretation of tax terms, and mediate conflict with the standards used by other countries. Network effects thus make it costlier for countries to adopt alternative transfer pricing norms, because of the expected drawback on foreign direct investment (FDI). As Dagan puts it, 'the positive externalities created by the network can sway countries to join it despite the high costs and inferior mechanisms it may offer' (Dagan 2018: 176).

Up to now, this path-dependent narrative sounds rather deterministic, with little space for national agency, or national divergence in the timing, speed and depth of institutional reproduction. Dean (2021) criticises the narrative of this 'evolutionary myth' in cross-border taxation, because it ignores the agency of those intervening on behalf of institutional stability. Lower-income countries might not have been part of initial decision-making processes at the OECD (Ring 2006: 69), but they have been able to influence OECD decisions at the margins, at least (Christensen et al. 2020; Brugger and Engebretsen 2020). To solve this tension around the lack of agency in historical institutionalist theory, Emmenegger (2021) introduces a coalitional perspective – policymakers and social groups may work together to maintain institutional stability, or to break it down. This emphasis on social coalitions in institutionalism opens up the possibility of more bottom-up approaches – in our case, the question of how network effects steering decision-making in transfer pricing governance are mobilised at a national level, and by whom.

This focus on coalitional work bridges the divide between constructivist and historical institutionalist accounts on stability in cross-border taxation. Dominant coalitions interested in maintaining the status quo often rely on the politics of expertise to do so (Hearson 2018b). Tax lawyers and accountants leverage their epistemic authority to defend the OECD transfer pricing paradigm, exploiting its ambiguities to maintain and profit from their professional positions (Brugger and Engebretsen 2020; Christensen 2020; Killian et al. 2020; Vet et al. 2021). Meanwhile, civil society organisations (CSOs) and tax scholars introduce different 'languages' to politicise cross-border taxation through tax justice issues, and influence the agenda (Seabrooke and Wigan 2016; Christensen 2020).

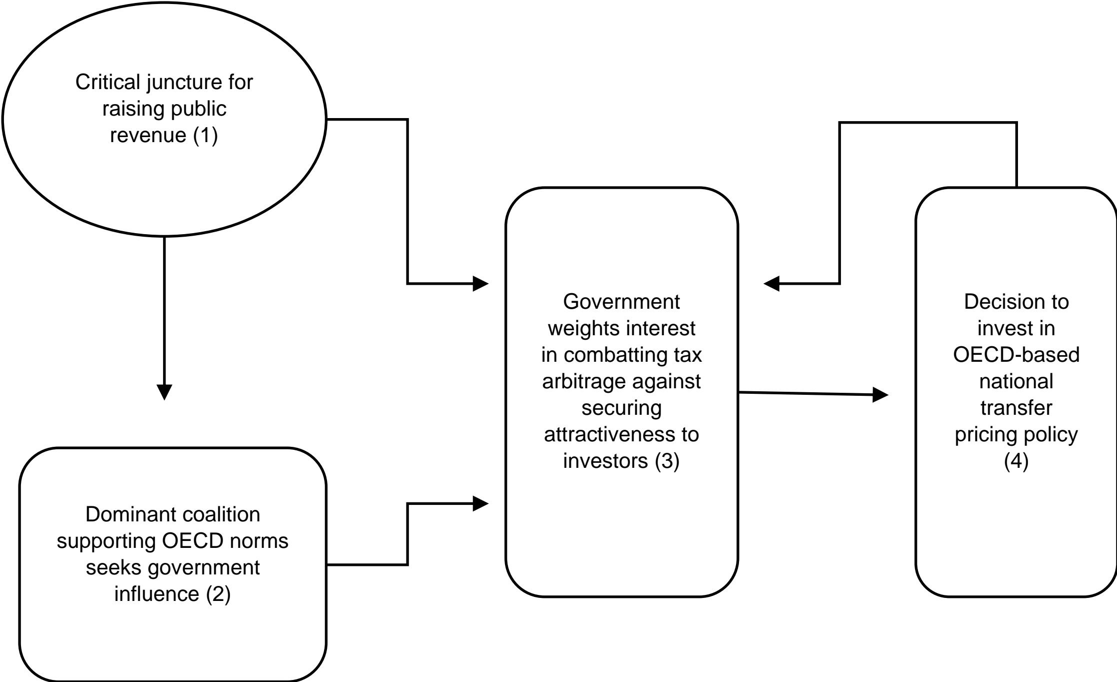
In addition, this emphasis on how national coalitions support network effects potentially clarifies regional and national discrepancies in the reproduction of OECD transfer pricing norms. Lower-income countries tend to be more inclined to forego some corporate tax revenue in exchange for inward FDI (Durst 2018). Emerging economies, such as China, India and Brazil, have adopted some transfer pricing rules that deviate from the common OECD norm (Hearson and Prichard 2018; Picciotto 2018b). Their respective market power increased their ability to accept the associated cost for investors, and to opt for their preferred norms (Baistrocchi 2013). Developing countries generally lack this kind of market power, and, so far, the United Nations and ATAF have not established competing standards that could reduce the cost of choosing a non-OECD approach (ATAF 2016; United Nations Department of Economic and Social Affairs 2017).

The practical implementation of transfer pricing regimes differs beyond the type of rules adopted. Effective implementation of the OECD-based regime calls for sustained efforts –not

only to prepare detailed transfer pricing regulations, but also to train tax officers and set up transfer pricing units within the revenue authority. In Pakistan and Ethiopia, the OECD-based transfer pricing rules adopted were never fully translated into the regular practice of transfer pricing audits (Chatha 2021; Tilahun and Yehdigo forthcoming). Earlier studies reveal how the support of political principals often dictates whether or not soft law regimes governed by global epistemic bodies achieve global convergence of national norms (Eccleston and Woodward 2014; Grinberg 2016; Sharman 2007). For example, the widespread adoption of anti-money-laundering regulations by national governments seemed a success, but, despite the regime's linkage to investment risk ratings, the adopted rules generally remained dead letter (Hameiri and Jones 2016). This discrepancy underlines the importance of domestic political economy and coalitional work to understand national reproduction.

This study highlights the micro foundations of network effects steering convergence in transfer pricing enforcement. The coalition work of those trying to maintain the dominance of OECD transfer pricing rules are, for instance, an example of these micro foundations. To identify these activities, I deducted a causal mechanism from the theories discussed above to explain why the OECD rules remained such an authoritative focal point for policymakers.

Figure 1 Mechanism for diffusion of OECD transfer pricing guidelines



This study traces how economic network effects drive governments to OECD-type transfer pricing enforcement by allowing these to raise public revenue while safeguarding investor attractiveness. This causal story starts off with a national critical juncture (1), when a government is urged to formulate its anti-avoidance policy, and various groups in civil society mobilise to underline this urgency. In response, social groups in support of OECD-type enforcement organise their preference by leveraging economic network effects, in combination with ideational claims. These acts of interest mobilisation (2) influence how government members weigh the positive impact of potential anti-avoidance policies on its revenue-raising goals, against the possible negative impact on FDI. Government officials want to safeguard competitiveness when adopting anti-avoidance measures, but prior interest mobilisation raises concern about investor attractiveness and thereby strengthens the compatibility advantage of the OECD rules. These economic network effects constrain

the available options appraised by the government, in addition to the ideational incentives discussed in the literature, and steer government members to act in line with the OECD transfer pricing norms. The implementation of a national transfer pricing regime, however, asks for a sustained commitment to invest in this approach, and national reproduction is thus an iterative process.

Theoretically, this mechanism is only successful when two negative scope conditions are fulfilled. First, these network effects work in favour of the OECD norms for as long as alternative transfer pricing methods lack widespread support. Second, dominant coalitions only successfully leverage economic network effects when those who challenge OECD norms do not have sufficient weight to counterbalance this coalition. Ideational network effects play a role, as these privilege authoritative voices in support of OECD-type enforcement – such as the tax advisory industry. Our hypothesised mechanism hinges on the capacity of a dominant coalition to mobilise network effects, and on the assumption that the OECD transfer pricing norms benefit more from network effects than alternative transfer pricing approaches.

3 Methodology

Dean (2021: 7) underlines that '[i]n still images, the dynamics of motion remain merely a subject of speculation. Watching how the taxation of cross-border transactions behaves in a moment of change reveals that missing movement and the actors animating it'. Following Dean's critique, this study emphasises entities in action through three positive case studies – countries committed to the implementation of a transfer pricing regime – where the activities in support of adoption are observable. With this in mind, I compiled within-case evidence on activities illustrating why Kenya, Rwanda and Uganda committed to the OECD transfer pricing regime.

These countries introduced OECD transfer pricing regulations at different times (Kenya 2006, Uganda 2011, Rwanda 2020). These differences allow us to triangulate the hypothesised mechanism and check the robustness of our findings. Heterogeneity between cases is limited, to prevent ending up comparing three different trajectories to adoption in widely differing circumstances (Beach and Pederson 2018), with limited external validity.

The international context changed during this time period, and the position of OECD norms, as well as the strength of competing norms, may have differed when these Eastern African countries decided on their rules. ATAF did not exist in 2006, when Kenya published transfer pricing regulations. When Rwanda launched its regulations in 2020 ATAF was providing technical assistance in transfer pricing, and had launched its *Suggested Approach to Drafting Transfer Pricing Legislation* (ATAF 2016; 2021b).

Furthermore, the relative strength and presence of CSOs, the accountancy industry and the transnational community of transfer pricing assistants differs between these countries. These changing contexts possibly shed light on the variation in timing, speed and depth of adoption between the countries.

I conducted 20 interviews through snowball sampling on the implementation, use and authority of transfer pricing practices to find traces of the adoption path.[2] [3] The social groups interviewed were theoretically identified based on their documented influence in corporate tax governance. Specifically, members of the Ministry of Finance working on international taxation were asked for interviews, in addition to senior members and transfer pricing auditors active within the national revenue authorities. Tax experts generally advise governments when drafting policy because of 'the technical intricacies of transfer ' (Eden et al. 2001: 6). Some tax officials within the bureaucracy obtained this specialised knowledge, and the associated 'expert' status, through transnational technical assistance projects (Cortés Saenz and Ryding 2016; Hearson 2021; Magalhaes and Ozai 2021). In addition, expert opinions come from outside the government or bureaucracy, where members of the accountancy industry, or international law firms, are notable for influencing global tax policy through their expert status (Brugger and Engebretsen 2020; Hearson 2018b; Picciotto 2015, 2018a; Vet et al. 2021). Consequently, representatives from the accounting industry are a large part of the sample. Civil society members advocating budget- and tax-related reforms are also part of the sample because CSOs joined the debate when international corporate taxation became politicised (Christensen and Hearson 2019; Dallyn 2017; Seabrooke and Wigan 2016). The final group of respondents are technical assistants who train national tax officials, indirectly influencing national policy, or even directly weighing in on policy (Cortés Saenz and Ryding 2016).

This primary data was analysed with the help of NVIVO software and the use of a codebook based on deductively and inductively theorised factors of influence in transfer pricing policy. In addition, I gathered yearly reports from the OECD and ATAF, and country reviews drawn up by the accountancy industry.

4 Pathways to adoption

This section illustrates how all three countries have implemented OECD-type transfer pricing rules. Implementation requires more than just the adoption of laws. It also involves three other types of interventions – codification of detailed rules and regulations, for example on information requirements, possible sanctions and methodologies allowed; building capacity within the revenue authority, usually through the creation of a transfer pricing unit with trained auditors; and commencing enforcement activities through transfer pricing audits. While the timing and sequencing of these reforms differ, all three case study countries have benefitted from external assistance from organisations promoting particular approaches to transfer pricing. Through considerable investment, Kenya has made significant progress in implementing OECD-type transfer pricing rules; Rwanda and Uganda have been much more constrained.

4.1 Codification

The national adoption of transfer pricing regulations – a list of requirements and rules that taxpayers have to take into account when pricing inter-party transactions – is taken as the starting point of codification throughout this study. Codification is an iterative process, with the regime demanding constant updates – the content of OECD norms changes over time. Figure 2 highlights the trajectories of codification in Kenya, Uganda and Rwanda.

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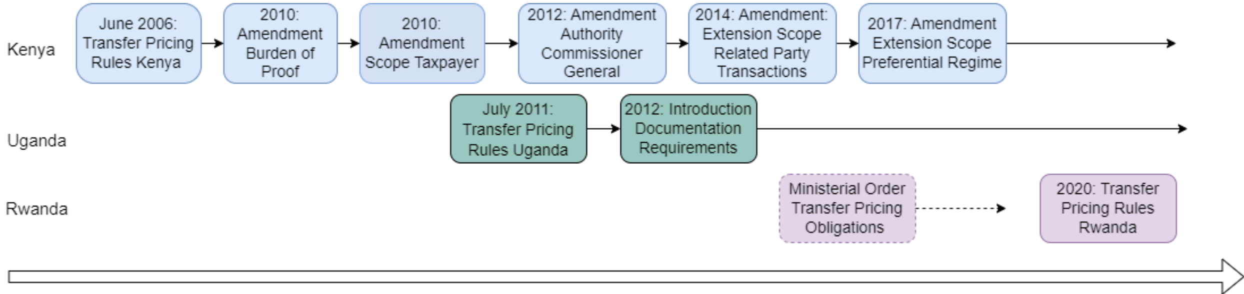
[2] I spoke with 3 technical assistants, 10 representatives from the different revenue authorities, 4 members of the Ministry of Finance, 6 tax justice advocates, and 7 representatives from the accounting industry (see Appendix).

[3] The data for the analysis was collected through expert interviews during a 10-week fieldwork visit (January-March 2020) in Kenya, Rwanda and Uganda.

Figure 2 Timing of adoption of transfer pricing rules in Kenya, Uganda and Rwanda



After introducing transfer pricing guidelines, Kenya amended its transfer pricing rules five times to extend the scope of applicable transactions, shift the burden of proof, and extend the authority of the Commissioner General of the Kenya Revenue Authority (KRA) (Njuguna 2021). In contrast, the Ugandan transfer pricing rules of 2011 specifically refer to the OECD guidelines of 1995 'as supplemented and updated from time to time' (Ugandan Gazette 2011: 6), and therefore the Ugandan rules develop along with the OECD updates without national amendments. Nonetheless, the Ugandan government amended the transfer pricing rules in 2012, as these originally lacked clear information on documentation requirements (KPMG 2015; Interview 17). Rwanda's transfer pricing rules were only introduced in December 2020, although a ministerial order including a few limited transfer pricing provisions had been adopted some years previously (Waris 2013; Official Gazette Rwanda 2020).

4.2 Capacity-building

The timing of the adoption of transfer pricing rules logically coincides with building capacity within the revenue authority. The high technical specificity of the required knowledge almost inevitably results in countries seeking external support. Kenya is a recognised regional leader in transfer pricing governance. It was the first sub-Saharan African country to offer technical assistance within the OECD-UNDP Tax Inspectors Without Borders Programme (TIWB), having benefitted as a recipient for some years (OECD/UNDP 2017). In contrast, the Rwandan government waited until 2017 to receive transfer pricing assistance through the TIWB initiative and to establish a specialised transfer pricing unit, but it hosted ATAF training on transfer pricing from 2011 onwards (OECD/UNDP 2018; Vis and Mucyurabuhoro 2020; ATAF 2012; Waris 2013.). Uganda started its capacity-building efforts later than Kenya, but has received the greatest volume of total TIWB support (Table 1).

Table 1 Tax Inspectors Without Borders Programmes 2012-2020

Host administration country	Host administration	Start initial programme	Missions completed	Weeks spent in country
Rwanda	RRA	2017	2	2.5
Uganda	URA	2016	15	24
Kenya	KRA	2012	15	14

Source: Adapted from 2020 TIWB annual report (OECD/UNDP 2020).[4]

Another element in national capacity-building is the involvement and participation of tax officials in different OECD platforms (see Table 2). Kenya is most involved in different OECD initiatives, followed by Uganda. Rwanda has recently signed up to some initiatives.

[4] This table excludes the Tax Crime Pilot Programmes.

Table 2 Membership of global tax platforms in Kenya, Uganda and Rwanda

	Kenya	Uganda	Rwanda
Global forum on transparency and exchange of information for tax purposes	2009	2012	2021
Automatic exchange of information	2010	2021-2023	2021-2024
Multilateral convention on mutual administrative assistance in tax matters.	2016	2015	2021
OECD/G20 inclusive framework	Yes	No	No
Multilateral instrument (action 15)	Yes	No	No
Africa initiative - global forum on transparency and exchange of information for tax purposes	Yes	Yes	Yes
Technical assistance - automatic exchange of information	Specialised programme	Specialised programme	Introduction programme

Source: OECD (2021a, 2021b, 2021c, 2021d, 2021e, 2021f).

4.3 Implementation of transfer pricing audits

The stringency of transfer pricing implementation can differ significantly, and has different characteristics in each country. Kenya, which has quite a large team of between 35 and 55 transfer pricing auditors (Titus 2021; Interview 5), applies recent interpretations of OECD norms despite the more basic nature of its legal framework (Interview 2). The KRA adopts stringent implementation of information requirements (Rödl and Partner 2020). Despite the fact that audits might take several years, its continued investment is bearing fruit. – transfer pricing audits in 2018-2019 potentially generated 2.29 per cent of its overall performance. In fiscal year 2018-2019 the KRA carried out transfer pricing audits that re-evaluated the fiscal contributions of MNEs, and increased their tax due by US$371.7 million. If this amount were collected, it would be 2.29 per cent of total fiscal performance in 2018-2019.[5]

When fieldwork for this paper took place In 2020, the Uganda Revenue Authority (URA)'s joint international tax and transfer pricing unit was in the capacity-building phase. Auditors take a sector-by-sector, instead of a risk-based, approach, but a tax advisor observed that most of its audits seem to remain in the documentation phase for a long time (Interview 2; Interview 8; Interview 7). The URA was given a budget to employ 12 experts, but only 7 were active (Interview 7). Initially, Uganda required taxpayers to file their transfer pricing documentation every year, but the URA found it challenging to store and process all this information (Interview 8). Now, taxpayers have 30 days to submit information following a request from the Commissioner General (Interview 8). The early results of these capacity-building efforts are becoming visible, and the URA collected nearly US$400,000 on a transfer pricing case with the assistance of ATAF experts (ATAF 2020: 23).

The Rwanda Revenue Authority (RRA) established an international tax unit in 2018, and since then the unit has been building capacity and gathering taxpayer information. During my fieldwork visit in 2020 tax experts showed how the RRA was building capacity, and was sending out requests for transfer pricing documentation (Interview 12; Interview 13; Interview 14). The RRA only select transactions for audit when auditors are confident that these are not compliant with the arm's length principle, to avoid setting negative precedents (Interview 13). The RRA includes the listing of related party transactions in the online tax filing system, even on a voluntary basis, before the transfer pricing rules were published (Interview 12; Interview 13). In all, the RRA seems to take a very thorough and planned approach, but it is too early to observe any results from these initiatives.

[5] Based on numbers received from the KRA in 2020.

5 Juncture and mobilisation

What caused these countries to adopt and implement transfer pricing rules? Regardless of the differences in timing, the three governments were moved to action after receiving information from their revenue authorities that their country's legal framework fell short in holding multinationals accountable when they detected profit-shifting activities. This section highlights these critical junctures in each country.

The KRA had a department that focused on international business in 1998. Although transfer pricing audits were not yet part of KRA's daily practice, one of the KRA auditors picked up transfer pricing abuse by a Unilever subsidiary (Waris 2017).[6] In a landmark case that is well-known across the continent, the High Court of Kenya decided against the KRA's claim that Unilever Kenya sold goods to Unilever Uganda at a price below comparable market prices, lowering Unilever's tax base in Kenya. Unilever, in response, argued that its price-setting procedure aligned with the cost-plus method set out in the OECD transfer pricing guidelines. The lack of specific transfer pricing requirements convinced the court that the burden of proof lay with the Commissioner General. Therefore, Unilever could rely on international practice on how to translate the arm's length principle into practice in the form of the OECD guidelines (Waris 2017). The government introduced transfer pricing guidelines under national law on 1 July 2006, and a senior member of the KRA explained that the Unilever case created momentum for this: '[I]n fact what informed the coming into being of the transfer pricing guidelines … was a court case where we lost because we did not have transfer pricing guidelines' (Interview 5).

Tax officials in Rwanda (Interview 13), as well as in Uganda (Interview 7), highlight how the Unilever court case raised their awareness on transfer pricing abuse, and the need for rules. Within the East African Community (EAC), the Commissioners General Forum and the Technical Revenue Committee discussed the need for transfer pricing rules. The Ministry of Finance in Uganda and a former assistant commissioner of the URA highlighted the influence of these meetings on the roll-out of national transfer pricing rules in their country (Interview 6; Interview 17).

The URA had not organised a transfer pricing audit by 2010, and instead focused on auditing treaty shopping and round-tripping activities of multinationals. The URA discovered that Zain International avoided capital gains taxation through indirect transfers (UNCTAD 2020:111). But the revenue authority lacked concrete tools to address this behaviour, and pointed this problem out to the Ministry of Finance. One interviewee explained:

> We get a lot of feedback from the revenue authority on the administration of the tax regime. This feedback basically points out certain challenges around the international tax regime, both at the level of domestic tax law as well as the international tax agreements.
> (Interview 17)

In Rwanda, also, the revenue authority received a tip-off about some dubious transfer pricing activities, rumoured to be related to the MTN dispute on the deduction of management fees (Offshore Newsflash 2015). The RRA was able to settle the case – but only by agreeing on a suboptimal compensation, as it would otherwise risk being overruled in court (Waris 2013). A few years later, the Ministry of Finance decided to roll out a more stringent transfer pricing

[6] Kenya vs Unilever Kenya Ltd, October 2005, High Court of Kenya, Case no. 753 of 2003.

regime, and brought international tax issues to the forefront of the 2017-2018 RRA strategic plan (Interview 13).

6 Social coalitions push governments towards the OECD approach

So far, it seems that Eastern African governments have acted upon the call for revenue authorities to have more stringent rules when adopting transfer pricing rules. Based on critical literature, a logical approach to tackle the problems highlighted at these critical junctures would be to begin with simplified measures to stem the tide of tax avoidance quickly (Ezenagu 2019; Picciotto 2018b). Yet a consensus quickly formed among public and private actors in support of the OECD guidelines. This section highlights the role played by each group of actors.

6.1 Revenue authority officials

While revenue officials are very aware of the obstacles to implementing OECD standards, three factors bind them into the social coalition that supports their adoption. First, the OECD framework is an early reference point that guides their thinking, for which technical assistance is readily available. As a result, tax officials generally stress the need to stick to 'tried and tested' OECD rules (Interview 5). Rather than suggesting alternative, or more implementable, methods (interview 1; interview 5; interview 7), they sought technical interventions within the OECD norms, contributing to the iterative path in codification. They stressed the potential of imposing penalties for non-compliance (Interview 5). The Uganda Revenue Authority convinced its Ministry of Finance to adopt stricter documentation requirements when faced with non-compliance (Interview 7; Interview 8). Revenue authorities did, however, push for some slight simplifications that went beyond the OECD approach, such as tougher rules on the deductibility of interest and management fees from taxable profits (Interview 5; Interview 6; Interview 13).

Second, as they began to apply transfer pricing rules, early revenue gains appeared to demonstrate success – although further challenges may have arisen as enforcement moved into more complex areas. This binds tax authorities into path-dependent support for more comprehensive adoption. Finalised transfer pricing audits suggest that multinationals engage in aggressive avoidance behaviour that would not be possible in higher-income countries (Interview 7; Interview 15; Interview 7). This leaves plenty of 'low-hanging fruit' to be plucked, even with suboptimal technologies. The revenue collected by the KRA and URA corroborates this fact. Moreover, transfer pricing cases take a long time to be resolved – members of the revenue authority could be hesitant to abandon the OECD-led path before they have collected the benefits of its implementation.

Third, the initial decision to invest in transfer pricing governance brings about a growing presence of transnational advisors when the country signs up to capacity-building. Tax officials build up technical expertise on transfer pricing, and this expertise grants these auditors an expert status (Hearson 2021). Kenya, the most involved in global tax platforms (see Table 2), was sending officials from its international tax unit to attend meetings of the different Base Erosion and Profit Shifting (BEPS) working groups because of their technical knowledge (Interview 5). To some extent, tax officials trained in transfer pricing become part of the transnational community of tax experts that mobilises in support of the implementation of OECD-based rules.

In sum, revenue authorities lock in to transfer pricing procedures due to the costly and timely nature of implementation, and prior investment in capacity-building.

6.2 Transnational community of experts training auditors

As tax officials providing policy input to the Ministry of Finance are, usually, still building their transfer pricing expertise, they rely on other experts when drafting policy advice – often technical assistance provided from abroad. Previous research on the diffusion of transfer pricing guidelines in North America demonstrates how cross-border interactions at administrative level support the likelihood of cross-border diffusion of transfer pricing rules, and speed up the timing of adoption (Eden et al. 2001).

In practice, their influence operates on two levels. At one level, tax auditors are more susceptible to take on the causal beliefs dominant within the transnational tax community when being trained by its members (Hearson 2021), a concern raised by Tax Justice Network (TJN) Africa:

> [I]f you look at who are those people, who are the advisers. They are people who subscribe to that kind of thinking when it comes to transfer pricing, and so on. And that informs their capacity building … And these countries are praising how good the support has been, how good it has been that things have been picked up, that basically contributes to legitimising the OECD method. (Interview 3).

At a more concrete level, transfer pricing experts provide direct input to tax officials on the content of amendments to, or guidelines for, transfer pricing rules. A transfer pricing auditor in Rwanda explained that:

> [I]n 2018 we got a new income tax act and it had a specific article that talks about transfer pricing. But for further implementation there is a ministerial order on the requirements and guidelines. We have drafted it and it is[now] submitted to the ministry, and they (the ministry) added some inputs from some experts. We (also) had some inputs from ATAF, OECD, and the Ministry of Finance passed it (now) on to the Law reform commission.
> (Interview 15)

Tax officials at the URA also highlighted the role of transnational experts in providing technical assistance to draft transfer pricing legislation, but pointed out that 'in legislation it is mostly ATAF that is involved' (Interview 7).

The landscape of transnational experts active in African countries has changed – ATAF now facilitates capacity-building assistance, along with the OECD. Both the RRA and URA worked closely with ATAF to train tax officials and draft transfer pricing rules (ATAF 2021a; Interview 7). Although ATAF's Model does not compete with the OECD rules, ATAF's Cross-Border Taxation Technical Committee published a suggested approach to drafting transfer pricing legislation where it advises African states to consider 'optional provisions' designed to compensate information asymmetries and capacity constraints of transfer pricing audits (ATAF 2016; Shongwe 2019). These optional provisions, drafted in collaboration with the OECD, suggest simplified transfer pricing rules such as subsection 13 – a cap on deduction of costs associated to the transfer of rights related to intangibles (ATAF 2016: 4). As a URA official explained, ATAF's experts tend to focus more on simplified methods, and ATAF influenced the Ugandan rules on penalties and interest deductibility (Interview 7).

Yet, the role of transnational assistants in maintaining the dominance of the OECD approach is not clear-cut, and changes over time. A transfer pricing expert from ATAF mentioned that the OECD of today (2020) is not the OECD of a decade ago, and is more considerate to the context of sub-Saharan African countries (Interview 15). A tax expert involved in the OECD/UN TIWB programme advocated a pragmatic approach in transfer pricing, and criticised the excessive focus on functional analysis of some technical advisors (Interview 18). Brugger and Engebretser (2020: 10) explain how defenders of the status quo in transfer pricing incorporate potential competing standards through incremental changes to the rules, and hereby maintain stability. Therefore, the fact that experts sometimes advise on minor simplifications does not stand in the way of their support of the OECD norms.

6.3 Tax advisory sector and their clients

The tax advisory industry – made up of accountants and lawyers specialised in international taxation – is an important stakeholder defending the status quo at a global level (Brugger and Engebretsen 2020), and plays a crucial role in leveraging concerns on investor attractiveness nationally. These advisors influence the revenue authority during the drafting stage as tax officials usually reach out to accountancy firms (Interview 5), but also leverage their interests directly at the level of the ministry.

All three jurisdictions consulted major accountancy firms when drawing up fiscal legislation, and have close contact with tax officials at the revenue authority (Interview 15; Interview 5; Interview 7; Interview 1; Interview 8). This practice highlights the dual role of these players – advising on the transfer pricing model, and representing their clients in transfer pricing disputes with governments. Despite the contentious role of this industry in facilitating tax arbitrage (Picciotto 2018a; Sikka and Hampton 2005), the sector supported the adoption of anti-profit-shifting initiatives in the form of the OECD transfer pricing regime. The support of this sector for these rules reduces the opportunity for their clients to engage in aggressive tax avoidance structures, especially when coming from a situation where there is no enforcement of transfer pricing. Deloitte Kenya complimented the OECD on its efforts 'to tighten maybe some of the areas that were more debatable', and indicated that the major challenge is now to get 'our (Kenyan) rules up to date with whatever is happening at the global level' (Interview 9). The industry further supported tax officials' use of recently updated rules and methods (Interview 9), but not without urging governments to expand current transfer pricing rules as 'approaches are being included in their methodology but this is not backed up legally' (Interview 8).

Still, by influencing what are considered appropriate, or acceptable, solutions to corporate tax avoidance, tax advisors consolidate the position of OECD standards, and maintain the need for their expert knowledge (Brugger and Engebretsen 2020; Hearson 2018b; Vet et al. 2021). Their support for OECD-based solutions is also in the long-term interest of their clients. It supports a global compromise that is less effective at preventing tax avoidance than the unilateral measures that might emerge if there was rising political urgency to act on it. Tax certainty for their clients is one of the discursive arguments used by this industry to manage the barriers of appropriateness in finding policy answers to base erosion and profit shifting.

> So (within) your company, you are adopting systems, you are putting in place accounting systems and some business model, you will want to make sure that (you) will not be interrupted with different rules, different interpretations of the same thing. So, I think that it is in their advantage that they have a similar structure. Also, because of increasing BEPS capacity awareness there are quite a number of NGOs that are also advocating, tax advocacy and those things. So there is some level of awareness that has already been raised. So I think unlike before when people will

> come and disrupt, such as in times of colonisation, an increased awareness is to their advantage – that things are plain and white in their operations.
> (Interview 2)

This excerpt on taxpayer certainty reveals two arguments in support of the rules – a need for common norms based on the multi-jurisdictional nature of transfer pricing, and a need to ring-fence against more aggressive anti-avoidance measures. First, related party transactions take place in at least two jurisdictions, and it is therefore easier for taxpayers when these two jurisdictions have similar rules, and create a compatibility advantage.

A Deloitte auditor in Rwanda suggested that this comparability advantage is shared with tax officials:

> [I]f I am doing a TP audit … what am I doing? I am challenging a transaction that happened in Switzerland, in Belgium or London. Those guys are going to come at me with OECD. So if I don't have the capacity, it is simpler to try and study what they have, and then incorporate it.
> (Interview 12)

Common norms would also prevent double taxation for multinationals – this idea is powerful in framing transfer pricing policy, as a result of the tax community's adversity to the idea of double taxation (Hearson 2021).

Second, the urgency for governments to adopt anti-avoidance policies rose with the increased prominance of corporate tax avoidance scandals (Dallyn 2017), with international donors shifting their focus to domestic revenue mobilisation. Businesses are aware that measures are unavoidable, and therefore lobby for more enforcement within the bounds of the OECD framework. As illustrated below, the tax advisory industry emphasised their clients' tax certainty when advocating the OECD rules.

> [i]t is also a demand from taxpayers and business people that they want to have certainty in how they are operating. If, for example, they are required to comply with certain rules in the current jurisdictions, then they want to have some certainty that they will not be challenged now from this other side … So we also have some pressures that we put through the system to ensure that they are catching up with the developments.
> (Interview 2)

Moreover, taxpayers are not only represented through their advisors. Representative bodies of important taxpayer groups get preferential access to the government through consultative meetings, presidential round tables, and general public consultation (Interview 5). TJN Africa pointed out that senior managers of multinationals have close ties with government officials (Interview 3). At the OECD itself, the advisory sector plays an important role in the development of international transfer pricing rules, which its national affiliates defend strongly in the domestic context.

6.4 Mobilisation of civil society

Globally, CSOs have mobilised in favour of more holistic approaches to taxing MNEs, and in particular for unitary taxation with formulary apportionment (ActionAid 2015; Oxfam 2000; Tax Justice Network 2020). They generally align with critical authors in academia that suggest developing countries might be better off with unilateral alternatives, such as safe harbours, the 'sixth method', unilateral apportionment schemes or sector-wide advanced

pricing agreements (Ezenagu 2019; Mehta and Siu 2016; Picciotto 2018b). The question therefore is whether they mobilise in favour of these alternative approaches at the national level. The evidence indicates that, in the case study countries, they did not. Instead, CSOs raised the urgency of anti-avoidance measures, without proposing alternatives to the OECD approach.

First, different civil society parties highlight the imbalance in government access between CSOs and private sector representatives (Interview 3; Interview 11; Interview 10). In general, policymakers see the priority for the revenue authority as raising fiscal revenue, and they do not consult civil society on how to fulfil this priority in relation to corporate taxation. The highly technical discourse makes it difficult for members of CSOs to access this debate (Christensen 2020). As explained by a URA member, tax officials generally do not consider that members of CSOs provide expert advice.

> Civil society is there in parliament. Seatini and CSBAG are active and the Uganda debt network. They have made some noise on the tax treaties. TP generally does not attract that much attention but some have written specific articles on specific companies but some were not specific enough. They combine everything together and write on profit shifting.
> (Interview 5)

Despite having less preferential government access than business, CSOs use several pathways to influence policy directly. In Kenya, the East African Tax and Governance Network explained how they maintain close communications with the clerk of the budget meetings so they are aware when public participation is possible (Interview 4). Public consultation is a constitutional requirement in Kenya, but they still need to be pro-active to gain actual access as notifications are only ‘advertised in small adverts in a newspaper’ (Interview 4). CSOs join forces – in Kenya they submit their comments collectively during the budget hearing (Interview 4), and in Uganda they organise collective press meetings to discuss intermediate budget reports (Interview 10; Interview 11).

An important tool for civil society mobilisation are the general tax avoidance scandals that the media reports, especially since politicisation happens on a case-by-case basis. This case-by-case mobilisation limits the impact of parliamentary engagement, but does create an opportunity to get a parliamentarian on board (Interview 4). CSO reports – such as TJN’s *Ashes to Ashes*, which exposed tax avoidance strategies in the tobacco industry – raise awareness, in combination with published court cases (Tax Justice Network 2019). In Uganda, several tax avoidance cases where multinationals abused treaty benefits and capital gains tax rules received attention (Hearson, 2014). Cases – such as the Commissioner General URA versus Zain International BV (Civil Appeal 11 of 2012) – became politicised after the *Panama Papers* released information on their avoidance behaviour (BBC 2016). Therefore, domestic CSOs working on budget and fiscal matters raise awareness on the prevalence of international tax avoidance, influence policy and add to the creation of a rupture in anti-avoidance policy.

Yet, the reported lack of expert language (see quotation above) illustrates the challenge of bridging the gap between the political and media discourse on multinational tax avoidance on the one hand, and the complex and technical nature of transfer pricing governance on the other (Interview 3; Interview 7; Interview 10). The director of TJN Africa explained that members of CSOs deliberately avoid using technical and complex knowledge in tax avoidance reports when they want to create political salience:

> [I] you want to argue that Kenya Breweries is not paying the right amount of taxes … [i]t is not corruption, it is tax avoidance. And with tax avoidance they did not break the law. And that thin line, and how you can frame the issue for it to be political then you need some level of understanding that lacks most of the time at the general public. You cannot refer to transfer pricing or, those are things that are not near. Those are the things that you need to unpack why it is important story. But when you go to the second tier then you are already losing people.
> (Interview 4)

Thus, the overall discourse of CSO advocates rarely challenges the OECD-based transfer pricing regime. The urgency raised does not stand in the way of OECD rules, as these rules are a step towards a more stringent regime.

7 Network effects and government decision-making

So far, we have discussed the micro foundations that underline the first part of our hypothesised mechanism (see Figure 1) – mobilising support for the national reproduction of OECD norms. The coalition that leverages this is diverse, and might seem contradictory, as both CSOs and the tax advisory industry support this agenda. Revenue authorities and transnational transfer pricing advisors are not interest groups in the classical sense, but mobilise their group's priorities through policy advice. The question remains how subsequent governments come to their preferred policy choice, and weigh different policy priorities.

Although primary data on government decision-making in Kenya is missing from this dataset, Ministry of Finance personnel in Uganda and Rwanda confirmed that compatibility benefits provided when joining the OECD transfer pricing network led them to adopt OECD-based rules. A senior government member in Uganda acknowledged the role of revenue authority feedback as a factor in transfer pricing policy, but suggests that other factors are also important in decision-making (Interview 17). They argued, for instance, that deviating from global norms would not be in Uganda's competitive interest to attract FDI, even if tax officials suggested it. While they did not necessarily disagree with critical authors on the usefulness of simplified measures, they perceive this as the only viable policy option as the approach offers its own compatibility bonus through network effects.

> Personally I like simplicity, but simplicity comes with its own challenges because it might disregard certain fundamental realities. I wish that the world in general gravitates towards a simple standard which replaces the current arm's length framework, then you would have consistency. Because we are dealing with competitiveness here. At the end of the day you don't want to design a crazy rule which is inconsistent with the world.
> (Interview 17)

In 2013, Waris (2013: 9) asks RRA officials why they did not want to opt out of the OECD-transfer pricing regime, and received the answer that 'from their experience and analysis, it was not possible to do what had not yet been done. It was necessary to follow the trends'. Our data suggests that the reason why tax officials and government members think that it is not possible to challenge the OECD norms is based on the narrative of tax competition, and the need to have tax rules that are competitive in order not to scare away international investors. Thus, tax competition initiates a strategic desire for governments to adopt transfer

pricing rules that are consistent with those enforced by other countries, and forges convergence – instead of a race to the bottom (Baistrocchi 2013). The idea behind this preference for consistency is that widespread network products, such as the OECD transfer pricing regulations, create lower compliance costs for investors than rather unknown simplified methods (Dagan 2018). The story behind the delayed publication of Rwandan transfer pricing regulations in 2020 corroborates these assumptions.

The Rwandan transfer pricing guidelines are detailed, apply to a broad category of taxpayers, and require significant documentation from the taxpayer. Even though the decision to publish transfer pricing regulation was made during an overall tax overhaul in 2018, these regulations had not been published at the time of the field visit to Rwanda in March 2020. Tax officials, as well as tax advisors, mentioned their involvement in drafting these rules, and were not sure why they had not been published (Interview 12; Interview 13). A Ministry of Finance staff member was able to give some insight into the barriers underlying the delays (see excerpt below). The Prime Minister's Office decided to organise additional rounds of stakeholder consultation, as members of this office had concerns about the effect of the strict documentation requirements on inflow of FDI.

> They [Prime Minister's office] requested consultations on the effects of this ministerial order … on the ease of doing business. Because also we need to attract FDI, so we have a trade-off between complicating (matters for) the tax administration and getting FDI, because … this can maybe hinder FDI coming to Rwanda due to the complicated questions. Because it is also going to change our registration system. So we will be asking a lot of questions, such as where is your country of origin? Where is your residence? This is not in place right now, but we need to put it in place. So they are asking: if we put these things in place, would it not undermine our FDI targets? (Interview 16)

This quotation shows that governments do strategise transfer pricing policy – despite its technical nature – and balance the need to raise revenue with attractiveness to investors. The interviewee does not draw the conclusion that the outcome of this balancing act results in an OECD-based approach, but highlights the importance given to minimising compliance costs for investors as much as possible. Based on the literature, and the Rwandan example above, network products play an important role in government decision-making – the added value in choosing a regulatory network product lies in the compatibility advantage these products offer to their users. The interviewee questioned whether the idea that documentation requirements undermine inward investment would be valid from a tax perspective, but pointed out that these ideas are 'out there' and influence policy (Interview 16). In the end, the Rwandan government decided to go ahead and publish documentation requirements that are rather strict in comparison to most national versions of OECD norms.

These examples confirm that network effects do play a role in government decision-making, and steer their choice to reproduce the OECD norms instead of choosing a more unfamiliar path. This trace evidence aligns with the historical institutionalist account of how network effects in transfer pricing create and maintain convergence, and stabilise the OECD institutions (Baistrocchi 2013; Dagan 2018). The widespread adoption of OECD transfer pricing norms brought about positive externalities in the form of a compatibility advantage, and these network effects steer policymakers towards the OECD when balancing raising public revenue and safeguarding investor attractiveness.

8 Conclusion

To reconcile the critical perspective in global debates with the roll-out of OECD-type transfer pricing regimes on the ground, this research sets out to uncover the rationale for Kenya, Uganda and Rwanda adopting and implementing the OECD transfer pricing regime. Despite questions raised by critical authors on the appropriateness of these norms in a development context, compliance by these three countries does not suggest 'mock compliance', or even that transfer pricing policies are counterproductive to their goal of raising fiscal revenue. In this study I question if the authority of the OECD is a sufficient explanation to explain practice on the ground. Instead, network effects create this convergence, as they give the OECD norms an added advantage when policymakers try to find a balance between combatting tax arbitrage and being attractive to investors. The previous success of the OECD guidelines generates network effects that make it almost inevitable for developing countries to end up with the OECD transfer pricing rules – alternative approaches do not benefit from compatibility advantages, and are perceived to create higher investment costs.

Two of the three governments did consider the suggested option of adopting simplified rules against the OECD preferred methods. They concluded that breaking from globally dominant standards would undermine the country's tax competitiveness, unless these norms are part of an alternative network of norms. The findings therefore suggest that OECD rules remain such an authoritative focal point for policymakers as interested social groups leverage concerns on investor attractiveness, in addition to an overall lack of effective coalitions challenging the OECD framework.

Countries always have the option to do nothing. In our case studies it was tax officials and members of CSOs that raised the need to combat tax arbitrage. The different pathways of adoption highlight how the presence and activities of these interested parties, and the observation of avoidance behaviour, are a pre-condition for the government considering transfer pricing governance. However, once a juncture in anti-avoidance policy exists and groups mobilise, the outcome of this government investment creates feedback loops and incentivises interested parties to mobilise again in support of the transfer pricing regime. As a result transfer pricing governance entails self-reinforcing sequences in support of the OECD rules, both globally and nationally.

The revenue authorities did not assess the OECD regime as being inadequate. Feedback from revenue authorities to the government has generally supported additional steps within the OECD paradigm. In addition, tax advisors played on the fear of losing attractiveness to investors by mobilising a discourse on tax certainty. Being highly influential in the design of transfer pricing policies, in addition to their weight in stakeholder bargaining at ministry level, these advisors actively supported steps towards an implemented OECD regime, aware of the pressure governments are under to act upon profit-shifting behaviour.

The question remains why global contestation around the OECD norms is not backed by national mobilisation that challenges the OECD norms. CSOs and global tax justice advocates said that it was urgent that governments take 'any form of' action to halt anti-avoidance behaviour. While the rhetoric of these players might have been successful in mobilising the issue, the moral and general tone that they used did not include technical discussions on alternative regimes. As a result they contributed to the urgency to formulate anti-avoidance policy, but not necessarily to the content of these policies.

In conclusion, governments base their transfer pricing decisions on a trade-off between raising revenue and investor attractiveness. A purely unilateral move to simplified measures

is seen as damaging to attractiveness to investors, and consequently OECD rules remain an authoritative focal point for policymakers. While interested social groups leverage concerns on attractiveness to investors, there are few effective coalitions challenging the OECD framework. At the same time, the network advantage of the OECD rules shifts over time – the outcome of this trade-off could end in different transfer pricing choices when competing networks mature. Critical tax authors who call upon developing countries to adopt unilateral simplified measures should not overlook the network effects that make it difficult for these countries to do this. They should instead promote strengthening alternative networks, or invest in breaking the narrative of tax competition.

Appendix

List of interviews

Interview 1	Interview Kenya Revenue Authority, 2 March 2020, online
Interview 2	Group Interview Institute of Certified Public Accountants of Kenya (ICPAK), 29 January 2020, Nairobi
Interview 3	Interview Tax Justice Network Africa, 27 January 2020, Nairobi
Interview 4	Interview East African Tax and Governance Network (EATGN), 24 January 2020, Nairobi
Interview 5	Interview Kenya Revenue Authority, 27 January 2020, Nairobi
Interview 6	Interview former Assistant Commissioner, Uganda Revenue Authority (URA), 17 February 2020, Kampala
Interview 7	Group Interview Uganda Revenue Authority (URA), 10 February 2020, Kampala
Interview 8	Interview KPMG Uganda, 14 February 2020, Kampala
Interview 9	Interview Deloitte Kenya, 29 January 2020, Nairobi
Interview 10	Interview Seatini, 18 February 2020, Kampala
Interview 11	Interview Civil Society Budget Advocacy Group (CSBAG), 14 February 2020, Kampala
Interview 12	Interview Deloitte Rwanda, 24 February 2020, Kigali
Interview 13	Interview Rwanda Revenue Authority (RRA), 4 March 2020, Kigali
Interview 14	Interview Rwanda Revenue Authority (RRA), 26 February 2020, Kigali
Interview 15	Interview Transfer Pricing Expert, African Tax Administrators Forum (ATAF), 5 March 2020, Kigali
Interview 16	Ministry of Finance and Economic Planning Rwanda (MINECOFIN), 25 February 2020, Kigali
Interview 17	Interview Ministry of Finance, Planning and Economic Development Uganda, 17 February 2020, Kampala
Interview 18	Interview Transfer Pricing Expert, Netherlands Tax and Customs Administration, 26 March 2020, online
Interview 19	Interview Transfer Pricing Expert, EU, 29 June 2020, online
Interview 20	Interview Chief Economist Ministry of Finance and Economic Planning Rwanda (MINECOFIN), 2 March 2020, Kigali
Interview 21	Ministry of Finance, Planning and Economic Development Uganda, 19 February 2020, Kampala

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