

Estimating Illicit Financial Flows: Applying the Partner Country, Price Filter, and Profit Shifting Methods

Workshop Programme

14-18 October 2024

Twangale Resort and Spa

Day 1: Workshop Overview and Introduction to Methods

Morning Session (Plenary)

- **09:00 - 09:30: Registration and Opening Remarks**
 - Welcome and introduction to the workshop's objectives.
- **09:30 - 10:30: Overview of the 3 Methods to Measure Illicit Financial Flows (IFFs)**
 - **Method 1: Partner Country Method (PCM)**
 - Overview of PCM, focusing on trade misinvoicing by comparing trade data between partner countries.
 - **Method 2: Price Filter Method (PFM)**
 - Introduction to PFM and its use in detecting trade mispricing by flagging abnormal price transactions
 - **Method 3: Global Distribution of MNEs' Profits and Corporate Taxes**
 - Overview of Method 3 for detecting profit shifting by multinational enterprises across different jurisdictions.
- **10:30 - 11:00: Coffee Break**

Late Morning Session (Parallel Group Work)

- **11:00 - 13:00: Group Work 1 (Parallel Sessions)**
 - **Group 1 (PCM):** Explore the steps of PCM, focusing on trade discrepancies and prioritizing areas for investigation.
 - **Group 2 (PFM):** Set up price filters to identify abnormal prices in trade transactions
 - **Group 3 (Method 3):** Begin profit distribution analysis for MNEs and identify potential profit shifting.

Lunch Break: 13:00 – 14:00

Afternoon Session (Parallel Group Work)

- **14:00 - 15:30: Group Work 2 (Parallel Sessions)**
 - **Group 1 (PCM):** Continue analysing trade discrepancies using bilateral trade data.
 - **Group 2 (PFM):** Apply statistical methods to detect anomalies in transaction prices.
 - **Group 3 (Method 3):** Refine profit allocation and identify potential profit shifting.
 - **15:30 - 16:00: Coffee Break**
 - **16:00 - 17:00: Wrap-Up and Reflection**
 - Groups share key takeaways from their sessions and prepare for the next day's work.
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Day 2: In-Depth Exploration and Group Work (Parallel Sessions)

Morning Session (Parallel Group Work)

- **09:00 - 10:30: Group Work 3 (Parallel Sessions)**
 - **Group 1 (PCM):** Refine trade discrepancy analysis with updated data.
 - **Group 2 (PFM):** Continue anomaly detection and assess financial impact of flagged transactions.
 - **Group 3 (Method 3):** Further analysis of profit shifting and its impact on tax revenues.
- **10:30 - 11:00: Coffee Break**

Late Morning Session (Parallel Group Work)

- **11:00 - 12:30: Group Work 4 (Parallel Sessions)**
 - **Group 1 (PCM):** Finalize identification of Tier 1 discrepancies and outline next steps.
 - **Group 2 (PFM):** Evaluate flagged transactions and estimate potential financial impact of IFFs.
 - **Group 3 (Method 3):** Calculate tax loss from profit shifting and prepare an overview of IFFs detected.

Lunch Break: 12:30 - 13:30

Afternoon Session (Parallel Group Work)

- **14:00 - 15:30: Group Work 5 (Parallel Sessions)**
 - Groups consolidate findings and prepare for the review session with UNCTAD.
- **15:30 - 16:00: Coffee Break**
- **16:00 - 17:00: Wrap-Up and Reflection**
 - Groups present preliminary results and reflect on challenges and next steps.

Day 3: Review and Feedback Session with UNCTAD

Morning Session (Plenary)

- **09:00 - 10:30: Group Presentations/clarifications on PCM, PFM, and Method 3**
 - Each group presents its preliminary findings and what they need to clarify from facilitators and UNCTAD experts.
- **10:30 - 11:00: Coffee Break**

Late Morning Session (Plenary)

- **11:00 - 12:30: Review and Q&A with UNCTAD Experts**
 - UNCTAD experts provide feedback and clarify outstanding issues.

Lunch Break: 12:30 - 13:30

Afternoon Session (Parallel Group Work)

- **14:00 - 15:30: Group Work 6: Incorporating UNCTAD Feedback**
 - Groups refine their analyses and reports based on feedback from UNCTAD.
 - **15:30 - 16:00: Coffee Break**
 - **16:00 - 17:00: Wrap-Up and Reflection**
 - Groups discuss key insights gained from feedback and next steps for finalizing their reports.
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Day 4: Final Analysis and Report Writing

Morning Session (Parallel Group Work)

- **09:00 - 10:30: Group Work 7: Finalizing Reports for PCM, PFM, and Method 3**
 - Groups work on finalizing their reports, incorporating feedback from UNCTAD and earlier sessions.
- **10:30 - 11:00: Coffee Break**

Late Morning Session (Parallel Group Work)

- **11:00 - 12:30: Group Report Writing (Continued)**
 - Continue working on reports, ensuring clarity and thoroughness in the presentation of data and analyses.

Lunch Break: 12:30 - 13:30

Afternoon Session (Parallel Group Work)

- **14:00 - 15:30: Peer Review and Feedback**
 - Groups exchange reports and provide constructive feedback to one another.
 - **15:30 - 16:00: Coffee Break**
 - **16:00 - 17:00: Wrap-Up and Reflection**
 - Final group discussions on lessons learned from the report writing process.
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Day 5: Report Finalization and Workshop Closing

Morning Session (Parallel Group Work)

- **09:00 - 10:30: Final Edits and Report Submission**
 - Groups finalize their reports and prepare for submission.
- **10:30 - 11:00: Coffee Break**

Late Morning Session (Plenary)

- **11:00 - 12:30: Report Submission and Presentations**
 - Each group submits its final report and presents key findings to facilitators and participants.

Lunch Break: 12:30 - 13:30

Afternoon Session (Plenary)

- **14:00 - 15:30: Workshop Conclusion and Final Remarks**
 - Facilitators provide closing remarks and discuss next steps for applying workshop insights.
- **15:30 - 17:00: Networking and Informal Discussions**
 - Open networking session for participants to discuss key findings and next steps in IFF mitigation.