



CHAMBER OF MINES  
of South Africa

# MEDIA STATEMENT

---

## TRADE MIS-INVOICING – CHAMBER RESPONSE TO UNCTAD-SPONSORED REPORT

**Johannesburg, 25 July 2016:** The Chamber of Mines notes with concern the report published by the United Nations Conference on Trade and Development (Unctad) on *Trade Mis-invoicing in Primary Commodities in Developing Countries*. The report asserts systematic under-invoicing of South Africa's commodity exports.

The Chamber disputes the veracity of the data, the assumptions on which the research is based and the conclusions drawn as a result. A cursory review of the dataset referred to indicates significant gaps and errors. The assumption that companies are mis-pricing rather than that this 'data' is simply under- or over-reported is astounding.

The Chamber has drawn the report to the attention of relevant local authorities and will engage with the author of the report in this regard.

Chamber members undergo regular, stringent audits in accordance with international accounting standards, and report in compliance with legislation and listing requirements. The Chamber is confident that the South African gold export statistics reported by the companies over the past few decades match the average rand gold prices and production numbers.

South Africa boasts a world-class regulatory and tax enforcement regime and the opportunity for mis-pricing is small. SA tax authorities apply the OECD Transfer Pricing Guidelines for Multinational and Tax Administrations (which South African officials helped develop) and the UN's Practical Manual on Transfer Pricing. South Africa is acknowledged to be leading implementation of the OECD transfer pricing, base erosion and profit shifting guidelines.

Last year, the Chamber commissioned independent research into South Africa's transfer pricing regime and specifically how it measures up to international



standards. The report notes that South Africa has kept pace with the best international standards since the mid-1990s with respect to its transfer pricing rules. Recent reviews by the Davis Tax Committee reached a similar conclusion.

**For further information please contact:**

Charmane Russell

Tel: +27 (0)11 880 3924 or Mobile: +27 (0)82 372 5816

Email: [charmane@rair.co.za](mailto:charmane@rair.co.za)

Web: [www.chamberofmines.org.za](http://www.chamberofmines.org.za)