



c/o African Foundation for Development (AFFORD)  
31-33 Bondway, Vauxhall Cross, London SW8 1SJ

Tel: + 44 (0)20 7587 3900 Fax: +44 (0)20 7587 3919  
remitaid@afford-uk.org info@remitaid.org  
www.afford-uk.org

**PRESS  
RELEASE**

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## **Press Release – 17 October 2006**

### **‘RemitAid™’ welcomes Mayor Ken Livingstone’s support of tax relief on remittances**

At the United Kingdom Money Transmitters Association (UKMTA) conference at City Hall on 17 October 2006, the Mayor of London, Ken Livingstone gave enthusiastic support to calls for remittance tax relief. He promises to raise the issue personally with the Chancellor of the Exchequer Gordon Brown and the Economic Secretary Mr Ed Balls. Mr Livingstone stated that even remittances sent to families for subsistence should qualify for tax relief as these funds are used to reduce poverty by feeding and sheltering poor families.

The founder of RemitAid™ and chairman of African Foundation for Development (AFFORD) Mr Gibril Faal welcomed Mayor Livingstone’s support for remittance tax relief. Speaking at the same conference immediately after Mr Livingstone’s statement, Mr Faal said that after three years of calling for remittance tax relief, he was heartened by the Mayor’s strong support. He echoed and elaborated on the Mayor’s claim that remittances play a significant role in international development. Mr Faal who has conducted extensive research on the subject went on to talk about the direct and indirect economic and development impacts of remittances. He also highlighted what he called the ‘structural imperfections and negative impacts of remittances’ and explained how these could be mitigated through a remittance tax relief scheme. Dominic Thorncroft, the chairman of UKMTA and Murad Qureshi of the Greater London Authority thanked the Mayor for his support and his strong calls for remittance tax relief. Doug Pearce of the Department for International Development also spoke at the event.

Commenting after the conference, Gibril Faal stated that:

*“a consensus seem to be emerging that remittances which address charitable as well as Millennium Development Goals should indeed attract tax relief, similar to Gift Aid. Today, Ken Livingstone publicly and forcefully supported remittance tax relief. I know that apart from Diaspora and development activists, the idea is gaining support from ministers, MPs, trade unionists, academics and others. Most people who listen to the argument tend to agree with the call for remittance tax relief. It is now time for Her Majesty’s Treasury to engage with RemitAid™ fully”.*

### **RemitAid™: Remittance Tax Relief for International Development:**

The RemitAid™ idea was developed in 2003 by Gibril Faal and was first communicated to the Chancellor of the Exchequer (UK’s Finance Minister), Gordon Brown in 2004. At a meeting “to discuss the UK priorities for Africa leading to the Gleneagles G8 Summit” in June 2005, Mr Faal raised the issue again with the Chancellor. As a follow up, in July 2005, AFFORD formally called for the UK government to introduce remittance tax relief for international development. Since then further progress has included the passing of resolutions at conferences related to the United Nations High Level Dialogue on International Migration and Development (UNHLDIMD).

*“We, Ministers and Heads of delegations of the Least Developed Countries (LDCs), having met on 9 and 10 February 2006 in Cotonou, at the Ministerial Conference of the Least Developed Countries on Migrants’ Remittances; Urge Governments of host countries to consider introducing tax relief for remittances similar to tax incentives provided for investment funds and charitable donations”*

*“The participants wish to:*

*Recognize the importance of migrants’ remittances and their potential impact on development of their countries of origin while being aware that they are private funds, these transfers must not be taken as a replacement of Official Development Assistance (ODA).*

*Recognize that remittances, are a form of funding which contribute to development and should attract tax incentives similar to those available for aid and foreign direct investments, and therefore call on host countries to introduce remittance tax relief for development.”*

**[The resolutions were proposed by Gibril Faal. The conferences were organised by UN-OHRLLS, IOM and ACBF]**