

Press Release of Panzi General Hospital of Reference 1st January 2014

On December 31, 2014, the staff of Panzi General Reference Hospital went on strike and took the initiative to organize a peaceful demonstration in front of the offices of the Directorate General of Taxes (DGI) to denounce the following:

1. The discrimination directed against their Hospital.

Panzi Hospital is effectively an institution that is integrated within the health system of the Democratic Republic of Congo and hold status of a General Reference Hospital. As a result, its employees are fully agents of the State and, like other personnel of general reference hospitals in the DRC, income taxes on their base salaries are withheld at the source by the Finances Ministry.

Among approximately 500 General Reference Hospitals in the DRC, the Panzi Hospital is the only one subjected to a special income tax, a levy on premium income they receive from the hospital. The employees denounce that their hospital is a victim of a blatant discrimination by the DGI and call for **taxes fairness**.

2. Human Rights violation

The Management of Panzi General Hospital of Reference is extremely concerned about this situation which is leading to a number of human rights violations: the right to health for those who are ill, and therefore, the right to life that is at risk due to lack of medication supplies and other items necessary to provide care, but also violation of the right of staff to receive payment for work they carry out, given that the funds seized by the DGI were dedicated for staff salaries and for medications and medical supplies.

3. Dysfunction of the judiciary system.

The Panzi General Reference Hospital has filed a lawsuit at the Bukavu court appeal, against the DGI, the DRC, and the BCDC (Commercial Bank of Congo), ongoing since November 4, 2014 with regard to the abovementioned violations. The case was initially scheduled for November 18, 2014 was repeatedly postponed first due to judges' strike, and then following the death of a court judge on the eve of the hearing date. The hearing has been postponed *sine die* (without a new date assigned).

Despite the absence of a judicial decision as a consequence of such dysfunction, the DGI proceeded to seize the accounts of the Panzi General Reference Hospital. With the complicity of the BCDC Bank, the DGI transferred Panzi funds to its account. This was in violation of section 127 of the Congolese Code of Civil Procedure which lists items that are not subject to seizure, including wages.

4. Irregular tax procedures.

Tax procedures have been violated by the DGI:

- In less than ten days, the DGI initiated an official tax order and two demands for payment and collection without the six months deadline provided by law;
- The DGI has not given Panzi General Reference Hospital an opportunity to contest and mount an administrative appeal.

There is an extreme urgency to act in the interest of the patients towards whom we have the responsibility to provide the best health care services, and the Panzi staff, who are unable to receive their wages.

The Panzi Hospital Management contacted various authorities about this matter but received no satisfactory response up to this day. It remains open for all constructive dialogue with them in order to resolve this crisis.

The Panzi staff aspires towards justice in recognition of the procedural flaws that make this taxation discriminatory, and still hopes to ensure the proper operation and continuity of services provided by our public health facility.

Denis Mukwege

Medical Director.

