



2022 Financing for Development Forum

Session on Building a fair and effective tax system and combating illicit financial flows

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We welcome the growing recognition of the fact that the OECD standards on global tax issues that have been produced in the inclusive framework do not include the interest and concerns of developing countries. In this context we are deeply concerned by the fact that some developed countries have now started discussing blacklisting of countries that do not follow the OECD standards. We have seen this before and it is a highly concerning approach.

We understand that some developed countries are also considering to blacklist least developed countries that do not follow the OECD tax standards. This is not tax cooperation. This will only lead to more tax conflict and to more inconsistency in the international tax system. In this context we welcome the G77's call for an intergovernmental UN tax body, and we warmly welcome the proposal from the Africa Group to negotiate a UN tax convention. This mentioned the tabled proposal from civil society as to what such a convention could look like.

We must also acknowledge that this is no longer a discussion about whether the OECD or the UN should set global standards on tax. If the UN does not lead the global fight against international tax dodging there will be no global fight against international tax dodging. The standard said that the OECD will never become truly endorsed global standards and the standard does not become global just because you call it a global standard in fact we are seeing that the OECD is even struggling to get its own member states to implement the new OECD tax standards. The UN is the only body that can lead a truly global response to the problem of international tax dodging that is costing countries hundreds of billions of dollars in lost tax income every year.

And these issues are highly political, that's why we need to call in our Ministers and our Heads of State, to move us forward on these issues, that's why we need a Fourth Financing for Development Summit. We've heard the concern that a bad Summit outcome might make the situation worse. But we wonder, given that there is no global tax cooperation at the moment, what could possibly get worse and how many hundreds of billions of dollars will countries have to lose before we can agree that it's time for the Fourth Financing for Development Summit.

Needless to say, we think the time is now.

Thank you very much.