



Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

General Dialogue – April 26

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Thank you very much for this opportunity. I endorse what has been submitted by my CSO colleagues so far. Just to add some points:

The following are important premises at the start of this historical process:

1. The RECOGNITION that the current international tax system is outdated, broken, and not fit for purpose. It cannot be fixed; it must be overhauled.
2. URGENCY – if the demand of the G77+China for a UN Tax Body has not been blocked at the 3rd Financing for Development Conference in Addis, a lot would have been achieved so far. We have lost a decade to curb IFF and other forms of tax dodging. IFF and tax dodging keep on rising at a time when needs for public revenue are growing.
3. AMBITION – This process will be up to its task by being ambitious. Tweaking of the existing system at the margins and patchwork cannot work.
4. Comprehensive - international tax cooperation can be realised if the problems and its malfunctioning approached holistically.

While its members kept blocking any move by developing countries to bring issues of international tax rule making standard setting, the OECD has been claiming to have started an “inclusive’ multilateral process without any legitimacy and mandate. No one has rejected a fair and adequate proposal from the OECD simply because it comes from the OECD. Let alone providing universal solutions its proposals have not received acceptance even by all its members. The US has for example has not signed the OECD minimum standards. The signing of its MLC is being postponed all the time. We have been calling on developing countries to say no to the tax deals at informal platforms of the rich at the OECD and rather build their houses on their own pillars.

If the FFD process has not delivered since Addis, it is because nothing happened during this period to make international tax cooperation inclusive and effective. The intergovernmental tax negotiations at the UN beginning today opens a historic opportunity to exactly do this. It is a long awaited and promising process that can deliver an inclusive and effective international cooperation in tax matters if member states engage in it in good faith.

Imagine member states agree a framework tax convention build on the principle: ***The tax policy of a country should not undermine the tax revenue of another country.*** This will by itself create an international context in which IFF and other forms of tax dodging is not incentivized and cannot be conducted with impunity.