

The FfD Chronicle



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

THE GREAT “DON'T TAX THE SUPER-RICH (YET)” DEBATE

These past two days have been... enlightening. As civil society, we arrived at INC-3 of the UN Tax Convention negotiations full of hope (and a few too many coffees) that the world's governments would finally take the next logical step: talking seriously about taxing the ultra-rich. After all, COP30's **Baku to Belém Roadmap** just highlighted the importance of strengthening cooperation on taxation of highly polluting activities and high-net-worth individuals. A pretty clear political signal, right?

Well, apparently not *that* clear.

Because as the conversation unfolded, we found ourselves blinking in disbelief on the back row of the conference room. Some delegates seemed to treat the idea of including HNWIs in the Convention - despite a clear commitment in the ToR - as if it were a plot twist from a bad thriller: “interesting, but let's not rush into anything.”

We heard phrases like: “*We do not exclude that there might be a problem*” and “*agreeing to adopt anything is premature*.” Premature! After decades of the rich parking trillions offshore, this is premature?

At this point, we started wondering whether some of the delegates might be living in a parallel fiscal universe - one where wealth just politely stays onshore and pays its fair share out of goodwill.

The sovereignty déjà vu

And then, of course, came the classic argument: “*Taxing HNWIs is a matter of national sovereignty*.”

We had to smile. Because if sovereignty means not being able to tax your own billionaires because their wealth sits in another jurisdiction under 14 shell companies and a family trust in the Caymans - then surely, real sovereignty means cooperating internationally to fix that.

The irony is that the same countries worried about losing sovereignty are also the ones saying, “we can't tax them, they'll just move their assets abroad.” Exactly. That's why we need the Convention - so that those assets *can't be hidden abroad in the first place*.

The great mystery: how to tax without information

Then came another surreal twist. Several Member States argued that we should delete the provision on “*sharing information regarding structures and techniques used by high-net-worth individuals to avoid and evade taxes*.”

We couldn't help but ask: so, we want to tax the rich... but without sharing any information on how they hide their wealth? That's like agreeing to catch smugglers, but banning customs from opening the luggage.

Automatic exchange of information and a global asset registry, which includes beneficial ownership information, are not optional luxuries. They are the basic tools of effective taxation. Unless, of course, you happen to be a tax haven. In which case, we completely understand why “let's keep this top-line” might sound more comfortable.

Reality check

Let's be clear: the current draft of the article in question does not reallocate taxing rights (at least not yet). It simply asks countries to collaborate so each can effectively tax the wealth it is already entitled to under its own national law. Cooperation and sovereignty are not opposites, they are two sides of the same coin. In fact, it makes sovereignty real, especially for countries in the Global South that have long seen their taxing rights eroded by offshore secrecy and profit shifting.

And since the separate article on taxing rights still doesn't even mention HNWIs, perhaps, in the longer run, we *should* talk about how taxing rights apply to them - because for the world's wealthiest individuals, none of their fortunes were built within a single border. The wealth of billionaires is international by nature, and so should be the right to tax it, guided by fairness, effectiveness, sustainability, and global solidarity.

Forgive us if we're rubbing our eyes in disbelief. While the world is literally burning, and public budgets are drying up, we're still politely debating whether to “explore the possibility” of asking billionaires to pay their fair share.

Time for ambition

Here's the truth: the UN Tax Convention is exactly the place where we can finally build a system that taxes wealth effectively. That means cooperation, transparency, and yes - a mandate to tackle the extremely accumulation of wealth by HNWIs head-on.

If we want to fight inequalities and mobilize the trillions needed for climate action and the SDGs, we can't keep pretending that taxing the world's richest is too complicated, too sensitive, or too soon. It's not too soon - it's long overdue.

So to our dear delegates: Let's do the job the ToR has outlined for us. Let's not be the generation that managed to design a - supposedly - “inclusive, fair, transparent, and equitable international tax system”... that somehow forgot to include the super-rich.

LAUNCH OF THE GLOBAL NORTH CAPACITY BUILDING INITIATIVE

Training topics:

1. Recognizing Illicit Financial Flows When You See Them
2. How to Stop Facilitating the Flows You Condemn
3. Listening Skills for Multilateral Negotiations and How Not to Stall Them

Listening to yesterday's debate on article 7 Illicit Financial Flows, Tax Avoidance and Tax Evasion, it's clear that some countries experience some real capacity gap. Apparently, the confusion lies in basic terms: *illicit*, *flows*, and perhaps even *tax*.

Meanwhile, we could have been discussing substance and actual solutions: needed transparency measures, how to dismantle the transfer pricing system that fuels profit shifting, and what concrete measures can actually stop illicit flows, tax avoidance and evasion.

When some countries took the opportunity to turn definitional clarity into an existential crisis, we think it's time for capacity building in clarity. After all, for a fair global tax system, we'll need everyone to graduate from the basics.



SIDE EVENT:

Civil Society Proposals for Articles of the UN Tax Convention

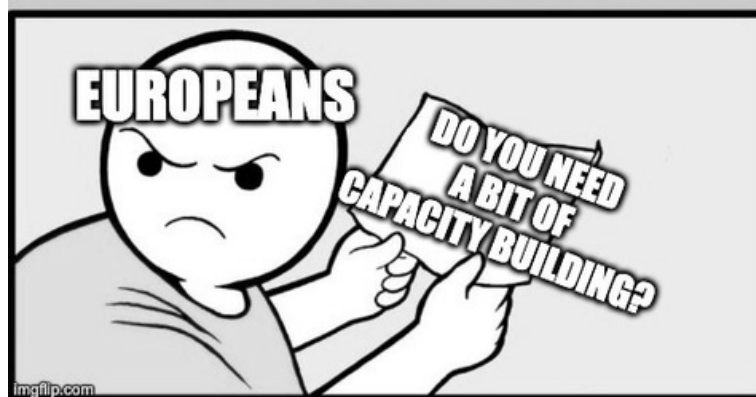
Take part in an event by civil society on what needs to happen in this third session of negotiations.

Discussions will include technical inputs to the published drafts and broader reflections on what a fair, inclusive, and equitable international tax system for sustainable development looks like.

13:15 - 14:45 EAT

Wednesday 12 November

CR-1, UN Nairobi



Read our Joint Response

Read the joint response by a broad coalition of civil society organizations and trade unions to the Co-Lead's Draft Framework Convention Template.

Available in English, Spanish, and French:



SAVE THE DATE Close of Week One Party

6pm - 10pm

Friday, 14 November

Trademark Hotel

Formal invitation to follow

