Ad Hoc Committee - Meeting 6

30 April 2024

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[00:20:00] Good afternoon, excellencies, distinguished delegates. Uh, I think we, we are now to continue discussions on, uh, agenda item, uh, 2B. Uh, sub item effective taxation of high net worth individuals. Uh, already we, uh, we, we closed the floor in the morning session. Uh, Just for the lunch break. And now I think we are going to [00:21:00] continue.

[00:21:00] Uh, before we close, we, uh, we had some hands raised here, so we are going to continue the list, uh, of delegations asking for the floor. So on the same topic, again, now I'm giving the floor to the distinguished delegate of Columbia. Thank you chair.[00:22:00]

[00:22:16] In parallel, we must advance in an agreement on tax measures to record the income and assets of individuals with high income and assets, rich and ultra rich, with a view to the distribution of global wealth. Natural people with the highest contribution capacity are also the most mobile, so it is imperative to propose rules to record their wealth and income at a global level.

[00:22:43] From the experience of Colombia with the Inheritance Tax, it is important to recognize that the current system does not allow access to the information of effective beneficiaries of non financial assets such as property and luxury goods. For this reason, we consider [00:23:00] that a practical tool for this is the creation of a global registry of final beneficiaries of non financial assets.

[00:23:07] Um, uh, Yes,

[00:23:32] thanks Columbia. Now to the distinguished delegate of Morocco.

[00:23:38] Merci, Monsieur le Président. Morocco is, once again, the current process that is part of the promotion of an effective and inclusive international fiscal cooperation. The Moroccans are pleased with this awareness of the need to work together to respond to the tolerance of the Member States of the United Nations, more particularly on the [00:24:00] path of development, by taking a fair distribution of the rights of imposition.

[00:24:04] Let's keep this objective in mind. Discussions on the imposition of large fortunes are a typical case of areas where the principle of strengthening the capacities of fiscal administrations and that of international cooperation The objective is to allow a fair and equitable imposition of these people.

[00:24:21] But not only. Indeed, the monitoring of the fiscal situation of these people allows a traceability regarding the creation of value and the possible detection of inappropriate tax practices by these people and the entities they control.

[00:24:58] Thanks. [00:25:00] Now to distinguish Delegate of Sweden. Um, thank you. Share.

[00:25:09] I mean my, in my country, uh, in Sweden, we, we have always believed in a fair and equal taxation and, and, uh, we have tried with different measures to, to be able to do that, uh, successfully and not successfully in some events. And, and, uh, I think then we, when we are, uh, talking about this issue, I also want to sort of echo the comments before lunch that Germany had and I think also China and Canada before that.

[00:25:38] That's We have to think about what we mean, what would be the most effective things to do here. I've heard a lot of suggestions. I think some countries we're talking about, uh, the, of course, the importance of exchange of information. Uh, others have talked about text, text, transparency, uh, doing something [00:26:00] beneficial ownership, etcetera, etcetera.

[00:26:01] And I think it's really important that we, um, Uh, sort of focus on on on different options here. Um, um, and I think that is, uh, sort of. So we will not just have a statement of something that will not really work in practice. Thanks.

[00:26:29] Thanks. Now to the distinguished representative of Korea. Thank you, Chair. With respect to the super rich tax, I'd like to echo the U. S. statements regarding this issue. This is basically a domestic issue. Through the domestic tax reform, also through the assistance, the domestic assistance, issue could be addressed.

[00:26:55] Uh, and also, as Mauritius, uh, delegate mentioned that there [00:27:00] are several questions to be addressed in order to implement this superseded tax in practical manner, how to evaluate the asset and how to offset the worst tax and how to, um, get the information of the asset. Those things are Uh, needs to be addressed in order to implementation this issue.

[00:27:18] However, as an Indian, uh, uh, delegate mentioned that this could be related with the illicit financial fraud, combating against the illicit financial fraud. So Korea is open to this, uh, to discuss these issues. Thank you.

[00:27:38] Thanks Korea. Now to the distinguished delegate of Italy.

[00:27:45] Sorry, Jeff. Actually, I didn't ask for the floor. It has been there. My, my, my telephone, which, sorry, sorry for that. No problem. Just push the button. No problem at all. Okay.[00:28:00]

[00:28:19] So I, as I see no one else is asking for the floor. So I think now we can conclude, uh, on this topic. Okay. And I think the conclusion would be that, uh, this topic is agreed to be addressed, uh, as one of the high level commitments. Uh, and I think many of the members just elaborated about different mechanisms and different estimates that can tackle this, this issue.

[00:28:46] Like some talked about domestic minimum tax, the capacity building, transparency, exchange of information as a register. Uh, again, I think this is the place for it. And to be discussed, this is. Uh, go for more technical discussion [00:29:00] to be addressed by the, uh, uh, negotiating committee for the convention, not this convention, but I think now we have a very broad agreement that is that, uh, the item effective taxation of high net worth individuals, including worst taxation, uh, to be, uh, added, uh, as item under the high level commitments, substantive commitment for, for, for the TOR.

[00:29:25] So now I will hand over to the vice chair, Maria Jose from Spain for chairing the discussions on the next item of the agenda, which is ensuring the tax measures contributed to addressing environmental challenges and dialogue with international tax organizations. Thank you.[00:30:00]

[00:30:17] very much, sir. Um, I hope I will do as good as you. Okay, good afternoon. Um, and now we can move to the next, uh, item, uh, to discuss, um, on the, uh, the tax measures contribute to addressing environmental challenges. Um, This third possible topic for high level commitment, ensuring tax measures contribute to addressing of environmental challenges, this issue has also been widely raised and illustrates the holistic approach to tax and other important social and economic policy areas that a [00:31:00] framework protocol approach could serve to advance.

[00:31:04] Many of, uh, of the written inputs receive addressing environmental challenges, stress tackling climate change. Yet such challenges may also entail other forms of pollution of land, sea and air, biological depletion, the drastic decline in the diversity of a species, protection of flora and fauna, and so on.

[00:31:32] The floor now will be open for discussion on this possible topic for a high level commitment, keeping in mind our two questions, our two focus questions for today. Why is this a matter that should be addressed now through the Framework Protocol approach? And how could agreement to address this matter be practically operational in a Framework Convention and its protocols?[00:32:00]

[00:32:00] So please, let me open the floor for comments.

[00:32:15] Okay, Japan, uh, sorry, I give the floor to the distinguished representative of Japan.

[00:32:24] Uh, thank you very much, Madam Chair. Uh, yes, uh, so, uh, on this issue, so, uh, this, uh, we are not still Sure about the, what the high level commitment is, uh, based on the, uh, waste taxation because the west taxation is, uh, one of the measures, uh, tax measures so high. What I mean by the high level commitment, uh, waste taxation, [00:33:00] uh, so or so I thought the higher, uh, uh, commitment is more kind of the.

[00:33:06] Uh, high level Thomas will be needed to, uh, for example, the, uh, in case of the, where succession is perhaps maybe reducing the equality, uh, in, in, in the same analogy in environment tax, uh, is, uh, is a one of the majors, uh, probably the climate change is, uh, is a kind of a high level commit about and. But, uh, if this is a case, uh, we have some concern about the two raising topic on this framework, because, uh, we already have, uh, other international fora tackling, uh, climate change.

[00:33:51] And climate change is a quite, uh, big topic, and, uh, there are a lot of measures, not only tax, but [00:34:00] also the regulation. Then, uh, Uh, there are tax credit, uh, no, no, uh, sorry. Uh, carbon credit and kind of the other, uh, measures, uh, uh, established and discussed in other, for, in this sense, how, if we set the high level commitment or in, in this framework, uh, what is the kind of interaction with the other for that is, uh, and how demarcate the.

[00:34:30] Uh, uh, with other four. That is, uh, our concern on that. But, uh, if you, who, who, who treated, uh, under the domestic level mobilization, perhaps maybe we could understand on that. But, uh, the, uh, uh, yes, uh, uh, our kind of question or concern is, uh, how to demarcate, uh, uh, on this issue with other four, uh, if we, uh, [00:35:00] He, he put it into the, uh, high level of committance of what you are.

[00:35:05] Uh, thank you, Madam Chair. Thank you very much, the distinguished representative of Japan. Well, uh, let's see if, uh, any other intervention

[00:35:22] from member states. Kiribati? No, Spain, sorry. Excuse me. Uh, Madam Chair. Spain has a special interest in attribution in relation to the environment. We understand that climate change and pollution must be tackled in a generalized and integrated way through multilateralism and global action. In this sense, we want to highlight that we are participating in the Sherpa Tax Force in international taxation to strengthen development and climate [00:36:00] action, whose objective is to explore new ways in international taxation to meet our commitments in relation to the climate.

[00:36:09] This Task Force analyzes different fiscal instruments, such as international taxation on coal prices. very much, Mr. President. Thank you. Thank you very much. Distinguished representative of Spain and now I think, uh, Colombia.

[00:36:50] Forceful. Propio. No. Proposito. Recorder. Recursos. Is that most in one? In like a gas to active. And [00:37:00] actually my TK is absolutely. And this is how you. But I can sell this. Metas minimus in. Terminal. The up to see on me. The best you own. Resilience. Conservation. Transition. Energy. Ticka. The name. The in. The. Is the red.

[00:37:15] It's appropriate to approve global measures that can create the opportunity to have the necessary resources to invest in climate action as soon as possible. This is why Colombia supports the inclusion of climate change.

[00:37:50] Thank you. Thank you very much. Uh, distinguished representative of Colombia, and now I turn the floor to, uh, the distinguished [00:38:00] representative of India. Thank you. Thank you, Chair. Uh, we believe that this is, this is indeed a matter that needs to be addressed by the, the Framework Convention. In fact, uh, point number 6B of, uh, 78 230 clearly mentions, uh, that, uh, speaks of to, it, uh, requests, uh, the draft terms of reference for a Framework Convention to take a holistic, sustainable development perspective that considers interaction.

[00:38:27] with other important economic, social, and environmental policy areas. So we believe that this is an issue that, that needs to be well, within the scope of, of the Framework Convention. And it is, it is related to making available resources to, uh, achieve sustainable, uh, development goals. So the commitment is required.

[00:38:50] As to how this will be operationalized, this could be in the form of various measures. It could be an indirect tax that could be placed on certain items [00:39:00] that are, uh, that are polluting items. And when we speak of making available resources to deal with environmental issues, one thing that we would like to place on the table that those measures should be such that it is in the form of a tax or a cess or a.

[00:39:18] Whatever, uh, measure that in the country that is, that is facing the pollution. So that is something that, that needs to be taken, taken into account and, uh, that, that, that is, that is a commitment or that is the operational, uh, measure that, that should be, uh, proposed. Thank you. Thank you very much.

[00:39:42] Distinguished representative of India. Now let me, uh, turn to, uh, Sri Lanka, the distinguished representative of Sri Lanka. You have the floor. Thank you, Madam Chair. Um, thank you, Madam Chair, for giving me the flow in responding to the focus [00:40:00] questions. I wish to make few remarks on where this framework protocol can facilitate in responding to the focus.

[00:40:07] Sorry, the first the post COVID meltdown in developing economies. With its lowest tax to GDP ratio, globally had a significant downfall in GDP, uh, hampering the production of goods and services, particularly impacting key sectors like tourism, agriculture, construction, and apparel. Developing countries heavily relied on the global market.

[00:40:31] Despite increasing total revenue collection over the time, economic setbacks hindered efforts to redistribute resources to tackle social and environmental issues. In response to economic challenges in certain countries, such as Sri Lanka, have implemented significant tax hikes, including raising VAT from 8 percent to 12 percent and corporate taxes from 24 percent to 80%.

[00:40:58] These measures were aimed at [00:41:00] addressing debt payments. Additionally, the 2023 budget saw further increases in average tax rates and incorporate profit taxation purportedly to promote sustainable development. However, there has been little progress in implementing specific taxes or levies designed to support sustainable initiatives.

[00:41:23] Therefore, it is imperative that this framework address such challenges that overlook current environmentally environmental tax policy setbacks and strike a balance between promoting national tax legislation or regulations, mandating expenditure or certain listed firms, and ensuring these expenditures do not adversely affect corporate performance.

[00:41:47] Secondly, The business sector may prioritize short term gains over long term societal and environmental benefits, potentially undermining the [00:42:00] effectiveness of the mandated sustainable development investments. Therefore, the challenge is to design this legislation in such a way that it incentivizes private sector investment.

[00:42:12] In environment related projects while ensuring that these investments are both effective and accountable and contribute to environmental protection and introduce a mechanism that ensures accountability and effectiveness. We also think that the International Tax Cooperation Framework serves as a catalyst for advancing environmental policies and sustainable development through public private partnerships.

[00:42:40] This framework can foster collaboration among governments, private firms, and financial institutions, enabling implementation of innovative initiatives. Initiatives to address environmental challenges, for instance, private firms and banks can adopt systems where customers earn incentives [00:43:00] like green points for engaging in in environmentally friendly tax practices.

[00:43:05] These incentives can support sustainable development projects focused on poverty, poverty reduction and environmental conservation, with governments collaborating to identify and implement such projects. Tax intensives can also be Provided to business participating in the initiatives, encouraging greater private sector involvement, existing legislation such as National Sustainable Development Acts can be expanded to regulate these partnerships, ensuring effectiveness and accountability.

[00:43:39] Additionally monetary policy instruments like long term green, Treasury bills can be introduced to fund sustainable development projects. This alignment of financial incentives with environmental goals facilitates the mobilization of resources and investment towards achieving sustainability objectives [00:44:00] globally.

[00:44:00] It is suggested a mechanism. through this framework that reports back on the implementation of the above factors can be facilitated through this framework. Such mechanism could have a monitoring effect globally to see whether these aspects are properly implemented and we are needed to give possible solutions for bottlenecks.

[00:44:23] Fourthly, Recent studies have noted that the ecological economics argues that neoclassical economics poses challenges to the principles underlying, uh, sustainable development, including inter regional. An intergenerational equity, diversity, interconnectedness, and precautionary principle against actions leading to irreversible sustainability outcomes.

[00:44:50] And this is why it is important to adopt a context specific approach through this framework protocol. The environmental taxation policies of [00:45:00] developed countries are tailored to their specific needs and context. Each country employs emissions trading mechanisms and taxations differently, reflecting variations in governance, pollution and compensation, pollution compensation, and consumption behavior strategies.

[00:45:17] Some prioritize reducing industrial pollutants through emission controls and technology support, while others Emphasize clear governance and target pollution compensation to regulate consumption habits effectively. Differences also exist in the establishment of supervision agencies, carbon tax collection methods, and enforcement of environmental laws.

[00:45:43] While one country focuses on efficient management through clear governance structures, streamlined tax collection, and other emphasizes robust legislation and strict enforcement to ensure info in one environmental compliance across industries. These varied [00:46:00] approaches highlight the importance of looking through perspective that facilitates context specific policies in addressing environmental tax challenges through this framework protocol.

[00:46:11] Bye. Thank you Madam Chair. I, I thank you. You distinguished, uh, representative of, um, um, Srilanka. Oh, it was Srilanka, Sri Lanka. I don't see . Uh, now let's, uh, keep the floor to, uh, Republic of Korea to the representative of Korea. Thank you. Thank you, Madam Chair. Um, with respect to environmental attacks, uh, as Japan delegate mentioned that.

[00:46:41] Uh, there is a diverse, uh, policy mix, uh, to tackle this environmental challenges, uh, through either pricing mechanism, uh, such as, uh, emission trading system or non pricing mechanism such as environmental regulations, uh, [00:47:00] uh, through the policy mix, uh, we can handle these issues. Therefore, uh, in the UN, uh, there are Other organic, uh, committee for this issue and also under the G20.

[00:47:13] We, uh, have discussed this issue in depth. Turning to the environment tax as a subject matter in the UN Framework Convention, I'm a bit cautious. If we selected this issue as a subject matter, we may focus on the only tax, the carbon tax. That is contrary to our policy mix in Korea. We are applying emission trading system rather than carbon tax because of the certain benefit from the emission system.

[00:47:45] the emission trading system. Therefore, when it comes to a high level commitment, uh, uh, I hope the high level commitment nearly covered the diverse, uh, policy mix regarding this, uh, environmental, uh, [00:48:00] uh, uh, tax. Thank you. Thank you very much. Distinguished representative of Republic of Korea. And now let me turn to, uh, the distinguished representative Mauritius.

[00:48:16] Thank you, Chair. Um, it gives me pleasure this afternoon to address, uh, this august audience, um, Chair. Um, the issue of, of, of addressing climate change, which I think would be, uh, not an exaggeration to call it a climate crisis, uh, in as much as we can see all around the world, uh, the change in climate patterns, uh, these days, Um, to the extent that, uh, it does not only affect, uh, uh, rich or, um, or developing or different types of countries, we are all, uh, affected by, by, by, by this, this, uh, as I say, crisis.

[00:48:59] [00:49:00] Now, um, Mauritius as a small island development state, uh, is one of those countries which faces risks of rising seas. Now, um, and therefore, um, is something which is by excellence a concern for small islands. Now, um, Mauritius, uh, has taken a number of initiatives, both locally and internationally. Um, we host the, uh, Commonwealth Secretariat Initiative Fund for Loss and Damage.

[00:49:31] Um, number of initiatives locally in terms of, uh, the financial services industry, uh, being encouraged to invest in blue bonds and green bonds, um, bearing in mind that we must have safeguards, uh, to, um, um, well, uh, prevent, uh, as I call it, greenwashing. Um, However, I, I must say that the larger picture is, [00:50:00] is to, to take appropriate measures, um, locally, domestically, um, so that this is applicable, uh, jurisdictionally, locally.

[00:50:11] And probably as I mentioned this morning, I'm from a, um, top down approach. Uh, treaties got to be, um, domesticated for them to have, um, uh, enforceability locally. So, um, one off of the SDG goals, which is 13 of the U. N. Is is to to find solutions in terms of renewable energy and technologies to climate to combat climate change.

[00:50:38] However, it's for governments to take action, and one of those actions would be for legislation. So, um Well, I hope that this moves pretty fast because it wouldn't be interesting in the last next 50 years, we'll find that some countries have disappeared from the map because then it is like the [00:51:00] SDG number 14th life below water.

[00:51:02] Because those islands would have disappeared. So, um, I, I welcome, uh, the forum which this, uh, committee, uh, put forward to address this issue. And of course, um, agree with my colleague from India in terms of the measures which some countries probably would, uh, be minded to take. Um, so that, um, Other countries just don't disappear from the world map.

[00:51:28] Thank you. Thank you very much. Distinguished representative of Mauritius. And now let me turn back to the distinguished representative of Singapore.

[00:51:44] Thank you, Chair. The carbon tax is an important enabler of our suite of mitigation actions. Singapore supports carbon pricing as an effective cost, meet effective. mitigation option. We support efforts to encourage other countries to put a [00:52:00] domestic price on carbon while recognizing that global adoption and convergence in international carbon prices is challenging to implement in practice.

[00:52:09] International cooperation is therefore key in collectively meeting global climate targets. In this regard, Singapore supports international efforts that seek to facilitate international cooperation on carbon mitigation approaches by taking stock and assessing the effectiveness of different carbon mitigation approaches.

[00:52:29] For example, Singapore shares our experience in implementing carbon tax and policy tools to drive climate action, such as by providing technical inputs to various reports by the Coalition of Finance Ministers for Climate Action. We therefore agree that it could be useful for the Framework Convention to have a high level commitment for this For greater effectiveness, working closely with other international organizations which have started work on this, such as the IMF and OECD.

[00:52:58] We have to be clear that the objective [00:53:00] of these environmental taxes is to mitigate environmental damage and support sustainable practices. The measure of success would not be the amount of revenue we collect, but whether we achieve our green goals. If you are successful in the long term, you will expect these taxes to become irrelevant and revenues to come down.

[00:53:18] Thank you. I thank you, the Distinguished Representative of Singapore, and now let me give the floor to the Distinguished Representative of Austria. Thank you, Chair. Um, As others already stated, also from an Austrian perspective, addressing climate change and, um, environmental change and challenges is very crucial in our, in our current times.

[00:53:47] Um, using taxes, similar measures to support policy goals in that regard, um, can be a good way to, on a one hand support SDGs, but also to enhance domestic revenue mobilization [00:54:00] Um, but also hearing other delegates, um, so first we, we support their foot to list this as a high level commitment for the convention, but, um, now also hearing the comments from other delegates, I think it's, uh, we think it's important, um, to make sure that we consider other initiatives in the, in that area, because I think there has already been some work done and we can lend from, from there to kind of already see in which, um, Direction.

[00:54:30] We could go with this and at the same time also to give flexibility to take into account different policy options, um, of in different countries. Thank you. Thank you very much. Distinguished representative of Austria. And now let's give the floor to the distinguished representative of France. Madam President.

[00:54:53] As part of the fiscal measures that can be put forward to address environmental [00:55:00] challenges, France wishes to mention the Task Force on International Taxation to strengthen action in favor of the development of the climate and nature, the so called Kenya Tax Force, which was jointly launched by France, Antigua and Barbuda, Barbados, Spain and Kenya during the COP28 in Dubai.

[00:55:20] Thank you. This recent initiative was born from the urgent need to mobilize new, predictable and adequate financial resources to support the transition of developing countries and vulnerable countries to a low emission and respectful nature economy, while tackling the harmful effects of climate change.

[00:55:39] Consultations and analyses were launched this month. The aim is to propose, by the end of the COP, one or several proposals for particularly consensual instruments, and we are awaiting the results. In this context, it could be proposed to work, for example, on setting up a standard carbon transactional price [00:56:00] in coherence with existing initiatives, or a reflection on the taxation of air or maritime transport by taxing fuels for example.

[00:56:19] very much, Distinguished Representative of France, and now let's move to, uh, the Distinguished Representative of Norway. Thank you, Chair. So in the organizational session, several member states in their general statements mentioned climate taxes as an area that, uh, where the UN convention could take on work.

[00:56:39] And we, uh, we see a strong link between our global ambitions to fight climate change. Climate change and our ability to implement the SDGs and also recalling the commitments in the Addis Ababa action agenda on financing for development. Uh, where it's noted the importance of continued support and resource mobilization through various sources needed to [00:57:00] address climate change.

[00:57:00] remaining gaps in the capacity to gain access to, uh, and manage climate finance. And so in, in Addis, we talked about the need from, um, need for funding from all sources, including public, private, bilateral, multilateral, as well as alternative sources of finance, uh, that we need to step up all these investments for climate resilient development and all this to say that, uh, we could, uh, we would also be open to consider climate taxation to supplement other work, uh, in the area.

[00:57:27] And that we look forward to participating in that work. Uh, and as for how to operationalize this and look, we basically, we look forward to consider them closer as, as we move forward.

[00:57:43] Thank you. Distinguished representative of Norway. And now the last, uh, member state, um, the distinguished, almost the last one, the distinguished representative of Bahamas. Uh, thank you, madam. The Bahamas wishes to [00:58:00] provide some input on the discussion of our high level commitments and specifically the discussion on ensuring that tax measures contribute to addressing environmental challenges.

[00:58:09] Creative and environmental tax regimes should be assessed and utilized for the implementation of the sustainable development goals and financing for vulnerabilities and loss and damage from our climate crisis. We call for the recognition of environmental taxes, sometimes referred to as a carbon tax.

[00:58:28] One of the main benefits of a carbon tax is that they provide a clear financial incentive for companies and individuals, and might I say governments, uh, hoping that the ICJ, uh, Hearing goes well to reduce their carbon emissions. This can lead to innovative solutions and technological advances in clean energy and other sustainable practices.

[00:58:51] The tax can also help level the playing field for renewable energy sources, making them more competitive with fossil fuels. A carbon tax also levels [00:59:00] the playing field between high emitting developed countries. and low emitting, highly vulnerable developing countries. Carbon taxes can help finance the implicit vulnerabilities that us small island developing countries experience.

[00:59:16] Environmental taxes, however, must be designed appropriately so that the concept of the polluter pays is embedded in the tax policy itself. Those countries that are most vulnerable to the climate crisis, such as small island developing states and big ocean states, such as the Bahamas, we feel the impact of the climate crisis daily.

[00:59:39] It is life threatening to us in these small island developing states, both from a physical point of view, it is projected that we will lose 30 to 40 percent of our landmass in the Bahamas over the next 20 to 40 years. Because of climate crisis, and certainly it is an economical crisis for countries like the [01:00:00] Bahamas.

[01:00:01] The additional resources raised as a result of an environmental tax can and should be used for mitigation and adaptation efforts, as well as compensation for the loss and damage that we have already suffered as a result of the climate crisis. We, however, have to be careful that an environmental tax does not unduly penalize developing countries who are currently in the process of their own industrial maturity.

[01:00:29] That is a fact that we see, especially throughout the Global South. And so we look to be cautious in that regard. Madam, with that, I thank you for the opportunity. Thank you very much, Distinguished Representative of Bahamas. And now let's move to the Distinguished Representative of Argentina. very much, Presidenta.

[01:00:52] Um, a comment in relation to the topic in question. Um, when we [01:01:00] talk about environmental issues, including positivas, in un contexto What cannot be taken out of the equation of the discussion is the principle of common but differentiated responsibilities. So, I think this is a topic that should be addressed with prudence and also taking into account this principle and taking into account also the principle of common.

[01:01:37] The work that is being done in different forums or international organizations. In that sense, different issues were mentioned, which are debated in the International Maritime Organization, which are debated in the World Trade Organization, which are debated in the framework of the [01:02:00] United Nations Convention on Climate Change.

[01:02:02] Therefore, the topic must also be respectful and not duplicate.

[01:02:21] rg. Uh, now let's, uh, take, uh, give the floor to the distinguished representative of Italy. Thank you very much, Madam Chair. I'll be brief just to recall that in our submission Italy has indicated that is available to start a reflection on possible standards in the field of environmental taxation. Thank you.

[01:02:50] Thank you very much, Distinguished Representative of Italy. Now let's move to the Distinguished Representative of Kenya.[01:03:00]

[01:03:01] Thank you, Chair. We just want to support the comments that have been made by our colleague from Bahamas, especially with regards to the last point. Um, we think that any commitments made must take into account the level of development of countries and not unduly affect their um, their ability or their rights to exploit their natural resources or their um, their development goals because we know developing countries need the, the input or the revenue that would come from, from industrialization.

[01:03:34] Um, so we, we feel that the framework conventional should not unduly prejudice developing countries, either in the use of their natural resources or in their ability to attract the much needed investment, um, into this sector. Thank you, chair. Thank you very much, Distinguished Representative of Kenya. Um, and now, I think, uh, there's no more Member [01:04:00] States, uh, asking for the floor.

[01:04:02] So, I think we turn to, to the, um, Academia, uh, Academia SIG, oh, sorry, South Africa, uh, Representative of South Africa, sorry.

[01:04:23] Microphone, please.

[01:04:27] Oh, thank you, Che. Um, we also do reiterate, uh, the issues that, uh, we do support the implementation of the appropriate carbon tax, uh, you know, in the appropriate carbon pricing measures, including carbon tax, at the national level, in line with the polluter pays principle. And I think as well that to the extent that I think it touches on, uh, what my colleague from Kenya has mentioned that maybe if then the extent should be a [01:05:00] limited and, uh, uh, maybe the framework can be developed, uh, to guide the design and the implementation of domestic instrument to ensure that there's a global harmonization, but not to actually affect, uh, developing countries.

[01:05:15] Thank you. Thank you very much, distinguished representatives of South Africa. Now, yes, we turn to the academia, uh, academia six. Yes, uh, you have the floor. Uh, thank you, Madam Chair. Uh, my name is Radhakishan Rao and I'm talking here on behalf of Bombay Chartered Accommodate Society. Uh, my suggestion is that, uh, the developing countries, you know, do need a finance.

[01:05:43] very much. Uh, to address the climate challenges and, uh, you know, somewhere there are obligations, commitments by developed countries to give this money to the developing country. So I'm suggesting a mechanism called Climate Finance Withholding Mechanism. Uh, I [01:06:00] have, you know, written a wide concept note on this, which is already there in submissions which I made, but very briefly stated what it, what it will do is that the developed countries levy a lot of tax.

[01:06:12] On the MNCs on the income, which they're earning from the developing country now to short circuit the entire cash flow, the developed countries may be directly allowed to levy tax on this income so that you know, instead of money going up and down again, the money directly goes to the developing countries as a climate finance.

[01:06:34] Thank you very much, Distinguished Representative of Academia VI. And now, yeah, we can move to the next representative, Terra, the Distinguished Representative of Terre Solidaire.

[01:06:54] Thank you, Madam Chair. Allow me to speak in French. Chers délégués. It is [01:07:00] a great opportunity that we are gathered here to discuss a Framework Convention on Taxation that can promote and strengthen the implementation of the objectives of other United Nations initiatives, such as the United Nations Framework Convention on Climate Change and the Convention on Biodiversity.

[01:07:17] The UN is the only appropriate venue to discuss and make decisions on international taxation and environmental issues. We firmly believe that the terms of reference should cover the question of the link between taxation and environmental protection, and that it should promote a progressive green taxation, allow me to insist on progressivity, which can combine the pursuit of environmental objectives and the objective of reducing inequalities.

[01:07:45] Indeed, several fiscal measures can raise environmental challenges, by generating public revenues that countries urgently need to achieve their environmental and climatic objectives. In addition, these fiscal measures can make operational the principle of polluters payers, who recognize [01:08:00] that the costs of pollution and environmental damage must be supported by those who cause them, and not by those and those who suffer the effects.

[01:08:08] They can target the most important polluters and the richest, who are at the origin of these crises. We also wish to emphasize that the principle of shared but differentiated responsibilities should guide any decision of this forum. By mitigating the failure of the international fiscal system, which allows hundreds of billions of receipts to disappear from the coffers of states each year, you could generate the money necessary to finance climate action, to respect international commitments on climate finance, and to finance the public investments necessary to transform the economy.

[01:08:41] By setting rules to finally tax the richest, you could generate receipts and tackle inequalities in the climate crisis, since the wealthy[01:09:00]

[01:09:08] Opportunity.

[01:09:19] Well, thank you very much. Distinguished representative of Terre Solidaire. Um, and now let's, uh, move to the last request, uh, from business sector. Let me, uh, give the floor to the distinguished representative of International Air Transport Association. Thank you, Madam Chair. Distinguished, uh, delegates, on behalf of the International Good morning, everyone.

[01:09:46] I'm the president of the International Air Transport Association, IATA, representing 325 airlines in over 128 countries. I appreciate the opportunity to address this gathering. [01:10:00] International air transport industry plays a vital role in connecting people, businesses and economies worldwide, fostering global connectivity and economic growth, also in developing countries.

[01:10:13] Thank you. As the UN ad hoc committee drops the terms of reference for the UN Framework Convention on Taxation, it is imperative to consider the principles outlined in General Assembly Resolution 78 230. Resolution 78 230 emphasizes the need to take into account the work of other relevant forums and existing tools available in the multiple institutions involved in tax cooperation.

[01:10:41] For In line with these principles, we highlight the broadly accepted intergovernmental consensus on carbon emissions reduction and tax policies for international air transportation agreed upon by the International Civil Aviation Organization, ICAO, [01:11:00] which is precisely the United Nations Specialized Agency for Aviation and its 193 member states.

[01:11:10] Indeed, the carbon offsetting and reduction scheme for international aviation, Corsia, adopted by ICAO, represents the collective agreement of 193 member states on addressing the environmental impact of international aviation, demonstrating the industry's commitment to decarbonize and achieve net zero emissions for a sustainable growth.

[01:11:37] Furthermore, consensus on tax policies is documented on ICAO's DOC 8632, which provides essential guidance on taxation matters related to international air transport, ensuring a fair, transparent, and harmonized approach to taxation in this industry. Aligning tax policies [01:12:00] Efforts with the existing consensus on both environmental and taxation matters as outlined in ICAO's CORSEIA and DOC 8632 is critical to ensuring clarity, predictability, effectivity, and avoiding potential conflicts between frameworks.

[01:12:20] By working in harmony with this established aviation specific frameworks, A universal a universally applicable, flexible and resilient U. N. Framework Convention on taxation can be created, providing the air transfer sector with the certainty it needs to continue driving global connectivity and economic development also in developing countries.

[01:12:47] We therefore respectfully request that the existing aviation specific environmental and tax frameworks be considered to ensure. harmonized approach that supports the international [01:13:00] air transport industries, decarbonization, sustainable growth and vital contributions, contributions to the global economy.

[01:13:08] Thank you. Well, thank you very much. Distinguished representative of Yata. Um, and I think, uh, there's no more requests for the floor. I really thank you all of you for your comments, for your insights, and I think for this very open and lively discussion. I don't know if I'll be able to give a summary. I just wanted to maybe to reflect that there's a great consensus that we need to include this issue and the high level commitments.

[01:13:47] And Uh, we will see what kind of, uh, the way, the different, uh, way, uh, how to operational on this framework convention, uh, framework, um, convention. And [01:14:00] also, um, taking into account other initiatives, consideration of different needs. Uh, different levels of developing and taking into consideration everything is around it.

[01:14:11] This, um, very, very important, um, objective and political commitment as, uh, some, as other, uh, delegates have, have, uh, raised. There's a very important climate change concern, a climate change moment. So I think it's the right place and the right moment to include and to discuss. So again, thank you very much to all of you.

[01:14:34] And I think we're running out of time. So let's move to the real item for the agenda for this afternoon. If I may move, um. To the next, uh, to the next, uh, session today or the session for the afternoon, I'm a little bit late, sorry. Uh, so we, we will first engage in a dialogue with, uh, international [01:15:00] organization.

[01:15:02] Um, the committee, this committee, uh, a subsidiary body of the General Assembly, is open to all UN member states and takes into consideration the contribution of international organizations. civil society and other relevant stakeholders. It does this in line with General Assembly Resolution 78 slash 230 and the modalities of multi stakeholder engagement adopted by the committee at this organizational session.

[01:15:36] During today's special segment, international organizations are encouraged from early on to share the insights into the substantive agenda items being discussed over the course of the first session. The session has the main task of scoping out the substance of the draft terms of reference for a UN Framework Convention on International [01:16:00] Tax Cooperation.

[01:16:02] The suggested focus questions are the same as those for the discussion. Discussions on the substantive items throughout the session. Why is this a matter that should be addressed now through the framework protocol approach? And how could agreement to address this matter be practically operationalized in a framework convention and its protocols?

[01:16:25] Uh, before I open the floor, general reminders again, virtual participants, please always mute your microphone except when you have been the floor. And for virtual participants requesting the floor, please use the raised hand facility or, if you cannot do that, type H in this, in the messaging chat facility accessed by the toolbar.

[01:16:53] The secretary will monitor the chat and advise you that your hand has been noticed. I [01:17:00] invite representatives of international organizations in the conference room wishing to intervene to press the button on their microphone console. All speakers are kindly requested to limit their interventions to three minutes.

[01:17:15] The floor can be taken more than once during our informal discussions. Um, we will give the floor first to our international organization that wish to take the floor and then open the floor for all member states and stakeholders. To join the dialogue and also let me, let me give a request to speakers.

[01:17:37] Please speak very, or more slowly. So translators can follow you and translate, uh, uh, appropriately. Um, And if you have a prepared statement, please send it to the E statements so everybody can follow and the interpreters are not getting crazy. So [01:18:00] thank you very much and please try to talk as slowly as possible.

[01:18:07] Okay, let's start with the distinguished representative of the IMF, International Monetary Fund. Please, you have the floor. Thank you. Thank you, Chair. Um, and good afternoon, everyone. Uh, we at the IMF, the International Monetary Fund, believe that more can be done to mobilize revenue and address inequality by building on the progress achieved thus far regarding the taxation of multinational multinational enterprises.

[01:18:43] Examples include more effective taxation of excess profits and wealth, better use of simplified approaches to taxing profits, easier approaches to administrative cooperation. Carbon taxation, which is a potent instrument to meet our, [01:19:00] uh, climate objectives and a global levy on emissions from international maritime and air transportation in each of these areas.

[01:19:08] International cooperation is vital to achieve results. While further progress on international tax cooperation can play an important role in raising revenue and addressing inequality. It will be insufficient to close the funding gap to achieve the Sustainable Development Goals. Our recently concluded spring meetings in Washington again confirm that mobilizing revenues through domestic reforms continues to emerge as a key policy objective for our membership.

[01:19:42] Revenue needs are greatest in low income countries. These countries also have the greatest potential to do better with an estimated extra potential of 9 percent of GDP in some cases. Therefore, domestic tax reforms have the most significant [01:20:00] potential for mobilizing additional revenues. While the specific reforms depend on country circumstances, of course, options generally include broadening tax bases, improving tax compliance and digitally transforming tax and customs administrations.

[01:20:18] Medium term revenue strategies provide a framework to formulate and implement such reforms. I will conclude by briefly addressing the role of the International Monetary Fund in the international tax debate. The IMF will continue to contribute to the global tax debate by leveraging its near universal membership and analytical expertise, anchored in our surveillance mission and macroeconomic perspectives on how taxation can support inclusive and sustainable growth.

[01:20:52] We have consistently supported multilateral solutions over unilateral ones, favored broad based [01:21:00] principled approaches over ring fenced ones, and have called attention to arrangements that are adapted to the specific circumstances of developing countries. Our analytical work will continue to inform policymakers and other stakeholders, and the IMF staff closely collaborates with the World Bank, and The OECD and UN staff within the platform of collaboration on tax.

[01:21:28] And we will also continue to contribute to and support ongoing international tax reform efforts led by others, including the work of this committee. Thank you. Thank you very much. Distinguished representative of, uh, IMF. Now on WebEx, uh, we have the, uh, distinguished representative of South Central, Central.

[01:21:59] [01:22:00] Thank you, Madam Chair. Excellencies, the South Center, an intergovernmental think tank of developing countries with 55 member states from Asia, Africa and Latin America and the Caribbean, is pleased to share its views during this historic negotiation, which can fundamentally reshape the international tax architecture to make it fairer for developing countries.

[01:22:22] First, on consensus. We strongly support that throughout this process, democracy should prevail and majority voting should be the basic method of decision making consistent with UNGA rules of procedure. A country which is unhappy with a particular standard under the convention can simply choose not to adopt it.

[01:22:43] Second, on complementarity. As has been stated in our submission, the conference of parties to the Framework Convention should be able to examine any issue of taxation that they deem fit, whether or not it overlaps with work done by other organizations. The United Nations has [01:23:00] its own mandate and is not beholden to the work done by any other organization.

[01:23:04] Further, this flexibility for the convention to examine any issue is essential to produce solutions for those countries which are unhappy with the existing standards available to them. The discussion over the past few days has made it clear that there are a great many such countries and their valid and legitimate needs can And should be met through this convention.

[01:23:27] It is indeed regrettable that the Global North is displaying defensiveness and an unwillingness to accept that frustration with the failure of the standards produced by the OECD led system have led to the current juncture. At its core, the argument of complementarity is based on a fundamental unwillingness to listen to the Global South, and an unwillingness to let them be equal participants in agenda setting.

[01:23:50] This approach by the Global North, which has been continuously on public display over the last few days, serves to only further justify why this move to the UN is [01:24:00] sorely needed for fairer international tax standards that work for all and not just a few. Third, we reiterate the importance of objectives and principles.

[01:24:09] These can guide the overall work of the convention and should be open ended enough to ensure the convention remains a flexible and living document. A key principle remains the fair allocation of taxing rights to developing countries. Fourth, and finally, regarding consideration of simultaneously developing early protocols, we reiterate that this should be reserved for the parties to the convention.

[01:24:31] I thank you, Madam chair, once again, for giving the south center the floor.

[01:24:38] Thank you. You, uh, distinguished representative of south center. Um, now let's move to the next, um, distinguished OECD, not this, not this. Sorry. Sorry. It's the international chamber of commerce. Sorry. Okay. No problem. [01:25:00] Thank you, Madam Chair. So as the International Chamber of Commerce, we represent millions of companies from all sizes, industries and regions of the world.

[01:25:09] And we really appreciate the opportunity to constructively engage in this discussion today. We are now aware that stakeholders interventions are not limited to dedicated stakeholder sessions such as this one. So we will provide more specific comments on substantive items also in the upcoming sessions.

[01:25:24] However, for this dedicated IGO session, we would like to provide some high level comments on what has been discussed yesterday and today. Firstly, we would like to support the statements from several distinguished delegates, highlighting the importance of consensus in decision making. Without consensus and broad based buy in from governments, any new tax processes risk becoming fragmented and ineffective, leading to increased complexity and uncertainty for taxpayers and tax administrations alike.

[01:25:54] As highlighted by the distinguished delegate from Argentina yesterday, consensus, like a good Argentina Malbec, or [01:26:00] in my case, a good Brunello Di Montalcino, takes time to prepare, age, and we should listen to all stakeholders. Another topic discussed yesterday was complementarity as mentioned by the distinguished delegate from the UK and it's documented in paragraph 60 of resolution 78 230.

[01:26:18] We would like to underscore the importance of taking into consideration the work of other relevant forums, existing tools, as well as complementarities available from other institutions involved in a tax cooperation. As noted by Estonia and Singapore, we believe this will minimize resources and time.

[01:26:35] And to echo Jamaica's points, taking into consideration other work and complementarities will also help ensure governments and taxpayers alike that the UN is aiming to announce tax certainty. We believe any tax work by the UN should aim to increase trade and investment in order to achieve the SDGs.

[01:26:51] This can only be done through a stable and certain international tax system and one that is simple and easy to administer. In order to achieve such a goal, coordination [01:27:00] among international and regional organizations would be highly beneficial. The increased uncertainty for competing frameworks ultimately leads to an increase of tax disputes.

[01:27:09] Ensuring appropriate dispute prevention and resolution mechanism is still one of the key persisting concerns in international taxation. In this new process, and as suggested by also some of the esteemed delegates today and yesterday, we strongly recommend including a commitment to improve the resolution of tax related disputes between jurisdictions.

[01:27:28] We also believe that the International Tax Framework Convention should ensure no double taxation. or discriminatory treatment of industries, especially in regards to the treatment of cross border trade and investment. Finally, as ICC, we fully support inclusive international tax cooperation, including inclusivity with regards to taxpayer participation.

[01:27:47] The international business community can provide invaluable insights to the practical aspects of taxation of companies, including the impact of different business models and complex value chains. We continue to recommend establishing structured channels [01:28:00] for receiving taxpayer input, including ample time to review and provide inputs on tax and documents.

[01:28:06] Moreover, as permanent observer to the UN General Assembly, we would appreciate the possibility to be provided documents in advance that inform the committee discussion. This will help us to follow along the discussion and also provide useful and valuable inputs. As ICC, together we have our global network of national committees from all around the world.

[01:28:25] We stand ready to constructively engage throughout the overall process, and to provide meaningful input in the work of the committee. Thank you very much. Thank you very much, Distinguished Representative of the International Chamber of Commerce. And now let's turn to the Distinguished Representative of the World Bank.

[01:28:49] Madam Chair. The World Bank is a strong supporter of multilateral efforts to reform and modernize the international tax architecture, noting progress made in recent years on [01:29:00] tax transparency, on addressing base erosion and profit shifting, on the international VAT guidelines, and on the global minimum tax.

[01:29:09] The bank is supportive of efforts to further strengthen international tax cooperation, building on achievements to date. We believe that cooperation can be enhanced to address what are shared challenges and finding positive solutions, recognizing in particular, the challenges for low capacity countries and the need for domestic resource mobilization to fund vital public services and investment in infrastructure.

[01:29:37] We believe that fostering and deepening cooperation on tax can benefit all countries, noting that international cooperation can go beyond direct taxation, including on indirect taxes, which are a critical source of revenues for developing countries, on illicit financial flows, particularly those arising from tax fraud and tax evasion, which cause great damage to [01:30:00] society, on environmental tax measures to help address the great challenge of our times, and more broadly, how this work Can assist developing countries in meeting the sustainable development goals as other delegates have highlighted over the last few days.

[01:30:16] Cooperation is not just standard setting, but also administrative cooperation between countries and that can be a focus also of this work. The World Bank has been providing customized support to low capacity countries on implementing international tax reforms, including on tax transparency, tax treaty training, BEPS implementation, applying VAT to cross border sales, and implementation of the global minimum tax.

[01:30:42] In doing this work, we've had a strong collaboration with international and regional organizations. The bank also provides assistance to countries on domestic taxes, including VAT and excises environmental taxes on digitalization of tax administration and on addressing [01:31:00] illicit financial flows. This work is supported by donors through our global tax program.

[01:31:06] Furthermore, the bank has a strong and productive collaboration with the United Nations, the IMF, and the OECD through the collaboration, through the platform for collaboration on tax. Thank you very much for the opportunity to speak. Thank you very much, Distinguished Representative of World Bank. And now, the floor is, uh, to the Distinguished Representative of ATAF.

[01:31:33] Thank you, Chair, for giving us the floor. Uh, ATAF, a tax focused international organization comprising of 42 African countries, welcomes the historic opportunity to be involved in the first truly global discussion to promote effective and inclusive international tax cooperation. Thank you We thank the African Union and all the nations and partners supportive of this initiative.

[01:31:58] And we are [01:32:00] excited about it because on it lies our hope for SDG realization as far as long as realization of African Vision 2063, which revolves around building a resilient and vibrant Africa that we could be proud of. ATAF supports multilateralism and has partnered with several multilateral organizations across the world to help its members raise the resources required to support government programs to develop their people and economy.

[01:32:32] The critical part of ATAF's program is capacity building. However, while acknowledging the, the critical role of capacity building in helping members realize the revenue objective. At AFA has also realized that the revenue challenges faced by our members goes far beyond capacitation by way of training and technical assistance.

[01:32:59] Indeed, it [01:33:00] was clear to us based on evidence from the field that some of the most critical issues mitigating against the ability of our members to raise domestic public resources today lie around issues of international tax. For example, in return of phantom investment promises, many of our members have been made to sign hundreds of tax treaties that have severely constrained their taxing right, while conferring little or no benefit on them in actual sense.

[01:33:28] Our members tax base is also severely depleted by the imbalance in taxing right containing some of these tax treaties and other multilateral instruments. Uh, and, and as well as the base aeration and profit shifting plus its ugly sister illicit financial flows. Several African countries have joined one or more of the existing framework.

[01:33:52] Uh, uh, about 27 have joined inclusive framework in search of the solution to some of this problem highlighted. [01:34:00] However, our experience in this platform have shown that, uh, their voices are not accorded the weight it deserves And that issues, uh, issues peculiar to them are not usually making their way to the agenda of this organization that are more often than not set by their developed counterpart.

[01:34:20] It is against the above ground, Madam Chair, that I have supposed the work of this committee. And in supporting the work of this committee, we hope that the issues that are peculiar to the continent of Africa will feature prominently in the design and implementation of the framework. Uh, to that extent, Madam Chair, we want to call the attention of the committee to a mandate given by resolution 78237, which mandates this committee to consider the need for sufficient flexibility and resilience in the international tax system to ensure equitable result as technology and business [01:35:00] models and international tax cooperation.

[01:35:02] landscape involved. We believe, Madam Chair, that any mandate that has this consideration, we have no place for the principle of complementarity and subsidiarity as currently conceived by some colleagues, some delegates in that ground. Madam Chair, in addition to the comments which we have supplied with respect to virus item discussed, we are calling for a convention that have very broad objective.

[01:35:29] A convention that have principle that also include principle like spatial and differential treatment for, for the developing nations. We are also calling for a convention where you talk of taxation of high network individual if you look at it holistically, including ability of African countries to assess relevant information to tax high network individuals.

[01:35:51] In particular, we note that why Global Forum have produced a very important instrument Common reporting standard, which we help in this [01:36:00] case. Most of our countries are unable to afford it. Such issues are the reasons why we support this platform, and we are hoping that going forward, we are able to attend to the needs of all members of this committee, including the developing countries.

[01:36:17] We thank you, Madam Chair. Thank you very much, Distinguished Representative of ATAF. And now, um, let's move to the Distinguished Representative of the OECD.

[01:36:30] Thank you. These are important questions that countries and members should be able to answer in order to properly frame the way forward. The answer should be informed by full knowledge of what other international organizations have done, and can do, to continue effective cooperation, including the way in which they have cooperated historically.

[01:36:49] With that in mind, I will share some highlights of the OECD collaboration with the UN, as well as the accomplishments of recent years. The OECD has collaborated extensively with the United [01:37:00] Nations on tax matters over many years, including via the joint O-E-C-D-U-N-D-P tax Inspectors Without Borders Initiative.

[01:37:07] Our support for the UN Tax Committee and its subcommittees UN dessa, participation in the OECD inclusive forum on base erosion and profit shifting BEPS and the Global Forum on tax transparency and exchange of information for tax purposes. And our joint collaboration in the platform for collaboration on tax, along with the IMF and World Bank.

[01:37:28] We are also proud of the achievements of the international tax bodies hosted at the OECD. Working by consensus, we have been able to effectively end bank secrecy via the 171 members of the Global Forum, and to put a floor under tax competition with a global minimum tax and address the challenges associated with the digitalization of the economy via the 145 members of the OECD G20 Inclusive Framework on BEPS.

[01:37:54] Other OECD work is also relevant to the U. N. 's mission to achieve the sustainable development goals, including [01:38:00] in our provision of tax data and statistics for over 160 countries, in tax policy advice, in tax administration, and in capacity building and technical support for over 100 countries. We share the goal of the U.

[01:38:12] N. to provide countries with the data, evidence, and support they need to mobilize resources for development. We will continue to strengthen our inclusivity and to collaborate with the United Nations on international tax matters and stand ready to provide any support that could be helpful in order to work constructively towards our shared goals.

[01:38:39] Thank you very much. Distinguished representative of the OECD. Um, I think we have no more requests from international organization. I don't know if, uh, some member state, uh, could, uh, would like to Take the floor and share their views.[01:39:00]

[01:39:03] Please. Distinguished representative of Jamaica. Thank you very much, Chair. Uh, I think, um, from Jamaica's standpoint, we would want to see some kind of or, um, the role of regional organizations, um, being More prominent in, in this, um, framework convention. Uh, I think is it, it is instructive today that, um, aaf, uh, is the only regional organization, um, here.

[01:39:45] And, um, speaking for my own region, I think, uh, we would appreciate, um, some guidance. we can strengthen, uh, the role of our own regional organization. [01:40:00] And I think it would also be helpful to include, uh, In the discussion that we are having in the terms of reference, um, and ultimately the framework convention on how, um, the role that regional organizations, uh, should play in helping countries with their domestic resource mobilization.

[01:40:22] Um, the other point that I'd like to, to make, and this might be controversial, but, uh, is that, um, we did not hear from the, from the EU And, um, what has been consistently raised by, uh, particularly, um, my colleague from the Bahamas is this issue of blacklisting. And so it, I think it would be good for us to, um, have a, have them dialogue with us on, uh, on, on, um, the concerns about the blacklisting, uh, process.

[01:40:59] [01:41:00] Thanks. Thank you very much, distinguished representative of Jamaica. Now we turn the floor to the distinguished representative of Canada.

[01:41:13] Thank you. Thank you, Madam Chair. I just want to make a brief intervention to, uh, thanks, to thank the organization, the international organization that have just, uh, intervened, uh, and express our desire that the, uh, they will continue to be, uh, involved and to support the work of this committee in the next step and as well as the work of the next committee that will be, uh, negotiating the convention.

[01:41:39] I think we, uh, We all, uh, I agree, we could all agree that, uh, we'll be, uh, tackling very difficult issues over the next step. So, uh, any, uh, expertise and analysis that international organization, uh, could share with us and could [01:42:00] contribute to our work will be, uh, very much appreciated and very useful in making sure that we, uh, we can get to the right outcome this, uh, in this committee.

[01:42:08] So, again, I look forward to their, uh, continued, uh, cooperation. And I thank them again for their intervention today. Thank you. Thank you very much, Distinguished Representative of Canada. And now we move to the Distinguished Representative of the United Kingdom. Thank you, Chair. Um, I will, of course, not be coming in on behalf of the European Union, but just on behalf of the United Kingdom.

[01:42:37] Um, A couple of, uh, international organizations mentioned the platform for collaboration on tax. Um, I wonder whether, um, any of them, uh, whether today or on another day, would [01:43:00] be willing to elaborate on what role the PCT plays. currently plays and what role they might see it playing in the future. Um, for some of those members, we might not be, um, directly familiar with the, the work of the PCT.

[01:43:22] So, um, I would welcome any thoughts on that.

[01:43:28] Thank you very much. Distinguished representative of the UK. Um, I don't know if some of the international organization, well, before give me the floor to the European Union, the European Union, and then I will try to come, come back to this international organizations part of the PCT so we can get more information on that.

[01:43:53] So first, let me turn to the distinguished representative of the European Union.[01:44:00]

[01:44:01] Thank you very much, Madam Chair, and good afternoon, all distinguished delegates of this committee. It seems that I have to take the floor to react on the issue raised by Jamaica, and I wish to stress one thing. Um, here I've been listening about this issue on blacklisting. But it's better to say that we are trying to encourage jurisdictions to align with international standards, uh, and to promote, uh, international, uh, uh, tax governance standards.

[01:44:48] And, uh, our objective, uh, is defined as a U list of non cooperative jurisdictions for tax purposes, [01:45:00] and it's an international cooperation exercise as we are doing here because we are speaking about. Uh, a global forum for international cooperation on tax matters, and I have to say that that's what we are doing on a daily basis with around 100 jurisdiction.

[01:45:22] So just to say that the aim is similar, if not the same, which is to try to promote international tax good governance standards all over the world. Um, I, and we are happy to contribute to this debate as needed, and we are open to a constructively, uh, a dialogue with all jurisdictions that will, will like to, to have a dialogue with us, uh, bilaterally or multilaterally.

[01:45:53] Uh, depends on, uh, where this issue will, um, will go, uh, how [01:46:00] this will be, uh, uh, brought forward. And, uh, we are happy to contribute again openly and constructively. Thanks, madam chair. Thank you very much. Distinguished representative of the commission. And now let's, um, just no more. Um, Ghana distinguished representative of Ghana.

[01:46:26] Thank you, madam chair. Um, I'll actually pick on the statement by the EU. Especially when they said they are trying to, um, encourage standards. It's interesting that the OECD list is different from the EU list. And so again, which standard are we using? Because they are not the same. You get to be listed by the OECD, but you get blacklisted by the EU.

[01:46:59] Um, [01:47:00] so Um, I think that we, we need to, as we continue our discussions on international cooperation, look at some of these inconsistencies, and that is what really has led to us requesting for this framework based on what the UN does at the UN level, so that we have one standard for everybody. Thank you.

[01:47:26] Thank you very much, Distinguished Representative of Ghana. I see no more flags. So, I mean, I don't know if from the international organizations, um, being part of this, uh, PCT, uh, want to, to jump and explain more, uh, uh, the request of, of, uh, the representative of UK. Well, uh, representative of World Bank, please.

[01:47:58] Thank you, Madam Chair. What [01:48:00] I will do is describe what the PCT is. Uh, there is actually a secretariat to do that, in that process. A PCT Secretariat, which is hosted within the World Bank. And I think I would need to come back in terms of the second question on any potential role and to discuss also with the partners.

[01:48:20] But in terms of what it is, the PCT is a joint initiative of the IMF, the OECD, the United Nations and the World Bank Group to strengthen collaboration on domestic resource mobilization. The mission of the PCT is to support countries efforts to improve revenue mobilization by leveraging the expertise and experience of the four partner organizations.

[01:48:45] Each of whom have their own mandate and policies. The PCT offers a platform for the partners to collaborate in developing guidance and tools to assist countries with tax system reforms, focusing in particular on [01:49:00] environmental taxation, international, international taxation, and medium term revenue strategies.

[01:49:06] The PCT also enables dialogue and information exchange on revenue mobilization between the partners and promotes. broad stakeholder engagement, and some of the outputs of the PCT include a tax incentives toolkit, uh, guidance on tax treaties, tax transparency, uh, sorry, transfer pricing and some other areas, and there's ongoing work at the moment to update the tax incentives toolkit in light of international tax developments.

[01:49:41] Thank you. Thank you very much for the explanation, distinguished representative of the World Bank. Well, I think we have heard all contributions from international organizations, I mean, comments from [01:50:00] member states, and I think it's probably time to close this session, the first session in the afternoon.

[01:50:11] We have, um, another, um, item for discussion today, uh, for, um, additional topics for high level commitments. Uh, maybe we can, uh, break for just 10 minutes, no more, and, uh, we will come back, uh, I said 10 minutes, and we will finish the session this afternoon. Thank you very much.

[01:50:52] Yes.[01:51:00] [01:52:00] [01:53:00] [01:54:00] [01:55:00] [01:56:00] [01:57:00] [01:58:00] [01:59:00] [02:00:00] [02:01:00] [02:02:00] [02:03:00]

[02:03:21] Two minutes more please. And we are, let's try to, to return. Father is very laid back. I didn't even realize his father was Italian until, until[02:04:00]

[02:04:05] Hello Carolina. She allowed to use the gavel to bring them back from break. Hi. Hello everybody. Let's, let's try to start so we can finish early today. So everybody can join in and enjoy the city. Gab, he says Gab. He says Gab.

[02:04:28] I made rummy. Okay,

[02:04:52] let's, let's now move to, to the last, uh, item in the [02:05:00] agenda for this afternoon. Um, the discussion. of additional topics of high level commitments. Our meeting tomorrow will focus on more possible topics for high level commitments, equitable taxation of the income of multinational enterprises, taxation of cross border transactions.

[02:05:23] We will save those two important and big topics as planned for tomorrow morning. But, um, Before leaving, as we as we still have some time left this afternoon, uh, I would like to open the floor for any other, I mean, topics, um, for at least from, from the secretary's side, all the topics listed in the, in the agenda.

[02:05:50] are probably, uh, the most important or the most, um, um, listed common, uh, inputs from, from, uh, issues from top, [02:06:00] uh, from inputs from member states. You remember we had, uh, this big call for, for inputs, uh, um, at the middle of March. So the secretariat has, uh, listed the most common topics for discussion as, um, individually discussed, uh, this week, but Since we have a little more time, there are other topics that, uh, member states has, um, including those, uh, statements and those, um, inputs.

[02:06:27] So, I mean, just let me open the floor for any comment, any other high level commitments that you think it should be important to mention, other topics that should be important to consider in this, in this exercise. So please, the, the floor is open.[02:07:00]

[02:07:04] Well, um, we have, um, The distinguished representative of Lesotho, you have the floor.

[02:07:19] And I'm not seeing as to whether the issue of taxation of extractive industries or natural resources has been given enough space or time. And just if, if, if that is not the case, then I'll go ahead. Um, earlier on our colleague from ATOF indicated about the nature of tax treaties that we have. And as, as developing countries, especially with regards to being able to, to tax the natural resources, um, one of the biggest challenges that we have as developing countries is that, um, the developed countries from which you really are.

[02:07:59] [02:08:00] The mining companies come from, um, they never have time to actually even consider your proposal for a tax treaty negotiation. So, if you are lucky, you take ten years trying to beg the other party to actually come to the table. So, in that regard, I would think that we need, um, Member states to commit at a higher level that, uh, when it comes to natural resources, still give a prioritization in terms of collaboration as to how we go deal with that.

[02:08:37] I think that would be my contribution on that. Thank you, chair. Thank you very much. Distinguished Representative Lesoto. Now let's turn to the distinguished representative of Kenya. Thank you, chair. We believe that the fair allocation of taxing rights should be addressed now and [02:09:00] through the framework protocol approach because it requires international tax cooperation.

[02:09:05] Resolution 78 230 acknowledges that increasing the legitimacy, stability, resilience, and fairness of international tax rules is in the common interest of all relevant stakeholders in tax systems. Resolution 69, 313 also commits, emphasis on commits, member states to working to improve the fairness, transparency, efficiency, and effectiveness of their tax systems.

[02:09:35] Resolution 78 to 30 also recognizes the need for all countries to work together to eliminate tax evasion, tax base erosion and profit shifting, and to ensure that all taxpayers, especially multinational enterprises, pay taxes to the governments of countries where economic activity occurs, value is created, and from where revenues are generated in accordance [02:10:00] with national and international laws and policies.

[02:10:02] This is the essence of fair allocation of taxing rates. There's absolutely no reason why a country should be stopped from taxing income, which has a reason within their jurisdiction, especially where the country's involved on different levels of economic development as emphasized by a resolution 78 to 30 fairness of international tax rules is in the, is in the common interest of all relevant stakeholders.

[02:10:29] We therefore propose, um, that members should make a commitment to ensure fairness of international tax rules in line with our constitution resolution 78 to 30. Thank you chair. Thank you very much. Distinguished representative Kenya. Now we have, um, the distinguished representative of Jamaica. Thank you chair.

[02:10:51] Um, not sure whether this fits into the category of Um, high level commitments. But I'm [02:11:00] just gonna share two concerns, um, that that we have and which we have identified as, uh, necessary. Um, for, um, for countries, uh, engaged in the in the You know, international tax cooperation and just for their own development.

[02:11:20] One of the concerns that we have had is that there is no, um, standardized way of measuring the impact of capacity building. And I, um, And if not, an international instrument or an international standardized measure, how countries can measure the impact of capacity building. Because you can have, um, you know, capacity building going on for years, but not seeing the benefit of it to your economy and not seeing the efficiencies that arise from it.

[02:11:59] And [02:12:00] so That is one of the issues that we would want to raise. Also, one of the concerns that we have always had in terms of the OECD solutions and the pace at which those solutions were being generated is the fact that that one would not have an opportunity to do a revenue impact analysis before implementing those measures.

[02:12:24] And so, you would never be able to tell whether or not it would be beneficial by way of revenue. You just went ahead and implemented without, um, Conducting a revenue impact analysis in most cases. And finally, um, chair, uh, I don't know if it's on the agenda. It probably isn't. I haven't seen it, but I'm having an efficient, robust, fair, uh, dispute prevention and dispute resolution, um, mechanism, I think is critical to, um, to any, um, good [02:13:00] tax governance system.

[02:13:01] Thank you.

[02:13:05] Thank you very much. Distinguished representative of Jamaica. Now we have the distinguished representative of Japan.

[02:13:16] Uh, very much, Madam Chair. Uh, we echo what Jamaica said regarding the dispute prevention, dispute resolution, which is a very important issue to achieve a stable international taxation system. Also the, I I wanted to add, uh, uh, regarding the, uh, the high net worth individuals. Uh, it's now, uh, we, we have just discussed the, the, the taxation high net worth individuals are, uh, necessary.

[02:13:54] And if this is the case, we are just mentioning the wealth [02:14:00] taxation, but, uh. Uh, uh, we would propose to add the progressive income taxation, which is also the contributing to, to reducing, uh, um, uh, uh, inequality in a country. Uh, thank you, Madam Chair. Thank you very much, distinguished representative of Japan.

[02:14:23] And now we have the distinguished representative of Bahamas. Thank you, Madam Chair. The Bahamas wishes to provide a recommendation as to further high level commitments. Consistent with what has just been observed by Jamaica, we propose a high level commitment to designing an effective dispute resolution mechanism when it is determined that a member state may not be compliant with the tax convention, its protocols and rules, or there are legitimate disputes between countries.

[02:14:52] Resolution 78 230 recognizes that an inclusive and effective international tax cooperation system [02:15:00] requires robust processes for preventing and resolving tax disputes in an effective manner and keeping in mind that developing countries have limited resources to handle costly international dispute settlement processes.

[02:15:14] Historically the OECD and the EU have utilized blacklisting as a unilateral dispute resolution mechanism. Um, We just heard the European Union try to justify the use of blacklists, what they term as non cooperative tax jurisdictions, as a tool to force countries to adopt standards that they set unilaterally, not what is being agreed to as global standards.

[02:15:37] We likewise heard Kenya speak to the inequalities of standard setting that exist today, and this being a primary reason we find ourselves negotiating a new UN global tax convention. Equality and predictability and dispute resolution should be a high level commitment, one that discards the use of blacklists as unilateral enforcement mechanisms.[02:16:00]

[02:16:01] Blacklists, which are lists of countries deemed to be non-cooperative and tax matters have been a source of contention and international tax cooperation for decades. A high level commitment on dispute resolution should aim to eliminate the use of blacklists, and instead focus on promoting cooperation and transparency among countries.

[02:16:20] Blacklists unfairly target developing countries, often without considering their unique economic and social context. Blacklists have a severe impact on a country's economy, discouraging foreign investment in trade. The listing process is subjective and biased. Countries can be placed on the blacklist without clear explanation, with little opportunity for them to defend themselves.

[02:16:44] Damaging their international reputation and credibility. Developing countries often lack capacity and the blacklisting process does not perform, provide any support or assistance in this regard. Blacklists breach our lawful right to development. [02:17:00] We agree that effective enforcement protocols are essential for successful implementation of any international tax framework.

[02:17:07] These protocols should include mechanisms for resolving disputes between countries, such as arbitration, as well as penalties for non compliance. For Diplomacy should always play a crucial role in resolving tax disputes between countries. One thing that does not belong as an enforcement tool is the use of unilateral blacklists.

[02:17:27] Thank you, Madam. Thank you very much, Distinguished Representative of Bahamas. Now we have, um, give the floor to the Distinguished Representative of Switzerland. Um, thank you, Madam Chair, uh, for giving me the floor. Um, likewise to the preceding speaker from the Bahamas, we would like to propose high level commitments in the field of tax certainty, um, in short, uh, tax certainty and legal certainty is crucial for the promotion of cross border economic activities and [02:18:00] investment that would ultimately benefit all countries, uh, developed and developing countries.

[02:18:05] Um, furthermore, we would like to emphasize that, um, uh, the development of new legal tools such as the, uh, Framework Convention will potentially Uh, B should go hand in hand with, uh, also mechanisms for dispute resolution, uh, including also, um, arbitration and we therefore propose to address that issue in a protocol.

[02:18:30] Thank you. Thank you very much. Distinguished representative of Switzerland, now the floor is, uh, to the distinguished representative of Nigeria.

[02:18:45] Chair, um, and, um, I think I'm flattered when I'm referred to as distinguished.

[02:18:55] Thank you very much. Um, actually, I'm, [02:19:00] um, I'm motivated to speak on this issue, um, by comments that I have had on the floor, and I think, which, um, I can see is a very important, um, uh, issue particularly for, um, countries from the global south. Uh, and that, um, is the, the, is, we have had, um, suggestions from some of our colleagues about, um, supplementation, um, of, um, the work of this, um, Convention to whatever is out there.

[02:19:42] And, um, I can see that by majority of comments that we have received, um, that that proposal appears not to, uh, uh, be in favor. Uh, and therefore, um, I think we could, uh, instead of talking about supplementation, we could actually be talking about, [02:20:00] um, consolidation that is consolidating all the work of. other regional, uh, bodies on taxation into this convention.

[02:20:14] Um, considering the fact that, uh, the UN is the only truly, uh, uh, global organization that, um, harbors all the countries of the world. Um, and therefore, um, I think, um, one way to ensure that there is no duplication Um, as, um, uh, feared or, uh, by some, uh, um, um, countries is if all relevant to work are consolidated, uh, in the work of the, uh, UN, uh, uh, convention has, has been contemplated.

[02:20:53] And then that then, um, uh, makes whatever rule or standard, um, that has been [02:21:00] agreed to. Uh, in this body, whether pre existing or or amended or new, uh, make is truly global standard that, uh, hold members of the U. N. Uh, can then commit toe so we can then have that commitment to implement, uh, such rules in the universal way, um, without, um, having any fear, um, that it had been made without everyone having the opportunity to look at it.

[02:21:28] And that that's also speaks to the issue raised by Bahamas. Um, uh, supervising or, or, or, or, or ensuring common standard can then also come unnaturally, uh, from this same body or from this same convention, uh, such that no jurisdiction, no country, uh, can be penalized. Uh, by a region, and I think it's an aberration.

[02:21:58] Um, if, um, [02:22:00] a region of the world makes rules for itself, and then seeks to impose it on, um, uh, countries that are not members of this region, and and and where they perceive that, uh, that, uh, non, uh, member, um, has not implemented, then it's sanctioned by way of, um, whether gray or, or, or black or whatever color list, uh, uh, uh, uh, we can see the fairness and transparency in that.

[02:22:28] Uh, but if all of these, um, are consolidated in the, uh, UN, uh, uh, uh, convention or regime, I think we can then avoid, uh, the issue of black people. Uh, country's been taking on awares, uh, because sometimes you just wake up in the morning and then you, you get a notice that Uh, you read probably on, uh, uh, uh, uh, in the newspaper or, or, or, or on the international media that so so country has been put on the blacklist and, and, and the, and the country is wondering by who, for what, and, [02:23:00] and then you realize that there are a lot of things you cannot do in the international financial, uh, space, uh, because, um, somebody has working from the one side of the bed and I decided to put the name of a country on the list.

[02:23:11] So I, I think, um, consolidation, um, of all, uh, tax rules and, and processes, including the peer reviews, um, should, uh, be able to address this. Thank you, chair. Thank you very much. Distinguished because you are distinguished delegate of Nigeria. Um, and also, let me turn the floor to the distinguished representative of India.

[02:23:40] Hmm. Thank you, chair. Uh, we, we, we understand the concerns that, uh, several jurisdictions have expressed about unilateral mechanisms and we, we sympathize with them. But it is our belief that, uh, [02:24:00] a dispute avoidance, uh, or a dispute resolution is more a part of, uh, setting up an equitable taxation, uh, regime for the income of.

[02:24:09] multinational enterprises or cross border transactions or any sort of taxation system. Eventually, any taxation system that we agree to should give rise to fewer and fewer disputes. But we have a point of view on the matter of dispute resolution mechanisms. We believe that at this stage, What are the kind of dispute resolution mechanisms that we may be expected to commit to that, that requires some more deliberation.

[02:24:40] Countries may have their individual needs and reservations about accepting or committing to a certain kind of dispute resolution mechanism. So it is our request that at this stage of the process, we should not be very prescriptive about the dispute resolution mechanism that we may be expected to commit to.[02:25:00]

[02:25:00] But it should be seen more as part of setting up an equitable system of taxation that we agree to. Thank you. Thank you very much, Distinguished Representative of India. And now we give the floor to the Distinguished Representative of Ghana.

[02:25:24] Thank you, Madam Chair. I would like to identify with the Statement just model contribution made by Nigeria in terms of consolidation. The idea of the UN framework convention is to have one global framework. And so if we integrate everything else into it or consolidate it into one framework, then it becomes something that covers everybody.

[02:25:55] The regionals would have contributed. Everybody would have [02:26:00] contributed and really that oneness in terms of purpose would then have been achieved. There'll be oneness of standards, oneness of, um, resolutions, just as India mentioned, there'll be fewer disputes because there'll be the same rules for everybody.

[02:26:20] We will then have confidence in adhering to whatever is put together because Everybody, small or big, um, developed or developing, would have contributed to that document or that framework and would then be prepared to abide by it. Thank you, Madam Chair. Thank you very much, Distinguished Representative of Ghana, and now give the floor to the Distinguished Representative of the Republic of Korea.

[02:26:56] Thank you, Chair. Uh, with respect to [02:27:00] the dispute resolution, uh, mechanism, Korea is also open to discuss this issue as a subject matters, uh, as India, uh, delegate mentioned that there are various kinds of dispute settlement mechanism, uh, such as, uh, mutual agreement or, uh, arbitration

[02:27:23] mediation. But in case of Korea, um, we are not supportive of a mandatory mediation arbitration. However, in terms of enhancing the Texas certainty, we are, uh, open to discuss these issues as a separate matters.

[02:27:43] Thank you very much, Distinguished Representative of Korea. And now we move to the, uh, the Distinguished Representative of Tax Justice Network.

[02:27:58] Thank you.[02:28:00]

[02:28:03] Thank you. Thank you, Madam Chair. I would like to speak in favor of including the ABC of Tax Transparency as part of the matters that should be addressed through the Framework Protocol Approach. By the ABC of Tax Transparency, we mean a well established set of measures designed to tackle corporate and private tax abuse and other forms of corruption.

[02:28:25] These measures include automatic exchange of information, beneficial ownership registration, and public country by country reporting. Tax related illicit financial flows, according to the UN's formal statistical definition, include cross border tax abuse by both multinational companies through profit shifting and wealthy individuals hiding assets and income streams offshore.

[02:28:47] The ABC of tax transparency is the formula for bringing the light of transparency to the opaque world of secrecy, where the rich and powerful corporations operate with impunity while the rest pay their fair share of taxes. The [02:29:00] multilateral automatic exchange of information about financial accounts and related assets is the central measure to end bank secrecy.

[02:29:08] A version of multilateral automatic exchange is already in operation as the OECD common reporting standard. However, it has serious flaws. On one side, the combination of extreme criteria for confidentiality in recipient states and of immediate reciprocity has had the widely predicted impact. effect of ensuring that lower income countries are not able to participate.

[02:29:29] At the same time, the CRS has also been ineffective in ensuring even that all OECD members participate. These members that are among the world's largest financial centers are also the jurisdictions identified as posing the greatest risks of illicit financial flows. Globally, the apparent inability of the OECD even to criticize its leading members on this regard.

[02:29:53] poses a grave tangible threat internationally. The main aspect to be negotiated in a [02:30:00] framework convention will therefore be the full inclusion of all willing countries. The incorporation in the framework convention of the principle of common, but differentiated responsibilities along the lines of the framework convention of climate change would allow that lower income countries, which are not themselves responsible for significant cross border financial services, will be able to benefit from access to information before facing any immediate risk.

[02:30:24] This would ideally be coupled with the improvement of the underlying technical standard, which would be an illustrative case of how the Framework Convention must go beyond existing arrangements. This speaks, one more time, of the serious shortfalls of the notions of complementarity and duplication that the Chairman mentioned yesterday, with my appreciation.

[02:30:42] Here, we are building a framework convention, and that means creating a constitutive instrument to govern current and future tax cooperation schemes under a set of universally shared principles of tax governance, even if they have been addressed by other forums. It is not about what is controversial or not, [02:31:00] but about what needs to be done if we are truly committed to an inclusive, effective tax cooperation and to fix the problem.

[02:31:05] It's currently failures. Second, the framework convention could end the widespread abuse of anonymous ownership by providing for the transparency of the beneficial owners of companies, trust partnerships and other legal vehicles through public registries. Such registers are already in operation in many countries for companies and in a growing number of countries.

[02:31:27] The incorporation of a comprehensive human rights approach in the convention would mean that considerations related to the right to privacy could not lead to disproportionate restrictions on the public interest in achieving the maximum degree of transparency so that states are enabled to mobilize the maximum available resources for the fulfillment of other rights as enshrined in international human rights treaties.

[02:31:50] An additional element could be the creation of a global registry joining up both. Public and private registers of legal vehicles and high value assets from land to earth and [02:32:00] from precious metals to aircraft, boats and racehorses. Finally, the Framework Convention is a golden opportunity to agree a single, technically robust standard for public country by country reporting.

[02:32:11] This will reduce the compliance costs for multinationals currently facing multiple requirements, will create a level playing field among all companies, and will ensure, finally, that the benefits of of public access to the data are obtained worldwide, including through immediate reductions in tax abuse.

[02:32:29] To conclude, many country submissions have already indicated support for the proposal of a technical body to work alongside the eventual Secretariat for the Convention. One important element of the technical work will be the ongoing monitoring of progress and evaluation of proposals, and the administration of the data generated by the ABC.

[02:32:48] The Trrs could highlight they need to cover this gap and in later stages, this can be done by adopting the proposal and research by the UN faculty Panel of creating a center for monitoring taxing rights. A [02:33:00] legitimate guardian of this data that can performs the form the functions mentioned above. Thank you.

[02:33:07] Thank you very much. Distinguish, uh, representative of, uh, tax justice network. Uh, now the last, uh, intervention, uh, is, uh, for the distinguished representative of Norwegian Forum on Environmental and Development. Please, you have the floor. Thank you, Chair. Uh, distinguished delegates, thank you for a rich discussion.

[02:33:32] Uh, why tax? Uh, here we would like to stress the importance of linking the issue of tax with the SDGs and the climate goals. One thing they have in common is the lack of financing. Until recently, it was at least possible to claim that absolute poverty was decreasing. That is no longer the case. For the first time in a generation, it is increasing.

[02:33:57] Once again, more money is flowing to the global [02:34:00] north from the global south. In this landscape, most developed countries are not delivering on promises of ODA or climate finance. But instead point to private sector finance or domestic resource mobilization for such, uh, much needed funding. To close the financing gap, countries need to fulfill their financing commitments and more, as we have heard.

[02:34:23] But also reform the international financing system. Therefore, we are encouraged by all the delegates showing up here today to do just that. Current international tax rules are an important part of the problem, and despite recent improvements, continue to create an uphill struggle for many tax administrations wishing to raise domestic resources by taxing profits where value is created.

[02:34:48] This dysfunction represents an enormous opportunity That this committee is asked to take on. We ask you humbly to ensure that everybody and every company pays their [02:35:00] fair share and develop a convention with common rules based on the principles of equal participation. We should ask what the convention can do for domestic resource mobilization.

[02:35:12] What is stopping an effective, timely and fair collection of taxes. Distinguished delegates, it is more than capacity building. Today, we have heard several proposals to consider both for member states and for my colleagues in civil society, such as transparency measures and ensuring access to information for all countries, as well as unitary taxation with formulary apportionment.

[02:35:37] We believe this ABC of tax is the basis and a start to what a fairer tax system that would work better for all countries. Finally, 2024 is a year of elections. In more than 60 countries, almost half the world's population will go to the polls. Newly elected politicians will be faced with an escalating debt burden and a tax [02:36:00] system that accommodates tax dodgers.

[02:36:03] How will politicians finance their promises and fulfill their obligations, such as delivering? That is up to this committee to answer. This is your task. I thank you. Thank you, Madam Chair. Thank you very much, uh, Distinguished Representative of the Norwegian Forum on Environment and Development. And now we have, um, the Distinguished Representative of the United Republic of Tanzania.

[02:36:32] You have the floor. Thanks, Chair, for having me. Giving me a chance to speak here. I just want to emphasize on the importance of giving priority to taxation of natural resources in order to ensure that small economies with natural resources full take advantage of the value addition with regard to their natural [02:37:00] resources to eradicate.

[02:37:03] Challenges on economic imbalances. In addition to that, uh, I also requested special attention on taxation with regard to, uh, natural resources in respect that we need high level commitment to include as much as possible.

[02:37:36] Proved it to be valuable and did that eradicate the economic imbalances between nations as well. It is important to formulate mandatory principles and tools to tackle tax avoidance and the [02:38:00] illicit financial flow that occur between nations in order to ensure fair taxation. within her respective jurisdiction.

[02:38:12] Thanks, chair. Thank you very much. The distinguished representative of Tanzania. Um, well, I think, uh, we We have covered a lot of, uh, different topics and issues. I thank you all, member states, observers, um, for this contribution to this, uh, discussion. I think it has been very, uh, very interesting, and I think, uh, we all have, uh, been, uh, taking notes on, uh, for this, uh, input.

[02:38:46] And I think, uh, the committee has concluded for today this program of work, uh, for this meeting. Um, the committee will reconvene tomorrow. At 10 a. m. in this conference room with the chair, [02:39:00] uh, in the, in the, uh, the chair again. So thank you very much. Have a nice, uh, night and see you all tomorrow.

[02:39:19] Excellent.