The Director
CENTRE FOR TAX POLICY AND ADMINISTRATION

Mr. Ohene Ampofo-Anti
Program Associate
Center for Economic and Social Rights

Ref:MC/MH/lc(2024)39

Paris, 02 July 2024

Dear Ohene Ampofo-Anti,

Thank you for the letter which you transmitted to the OECD on 22 May 2024. The OECD Secretary-General, Mathias Cormann, has asked me to reply on his behalf.

I draw your attention to our previous reply to an earlier communication from the United Nations' Special Procedures, which already addressed the same issues referenced in your letter.

In particular, I would like to reiterate the following points:

- The OECD is fully committed to the UN human rights mechanisms to advance the implementation of international human rights standards, including supporting gender equality and fighting against all forms of discrimination. The OECD has a strong track record in supporting international tax cooperation that promotes the ability of countries to secure the revenues their governments need to advance human rights.

- The Two-Pillar Solution, adopted through consensus by members of the Inclusive Framework on Base Erosion and Profit Shifting (Inclusive Framework), reinforces tax revenue collection by low and middle-income countries should they make the sovereign choice to collect such taxes. Through coordinated action by participating jurisdictions, the global minimum tax under Pillar Two sets a floor on taxation by removing the external pressures many countries—particularly developing countries — have faced to reduce or eliminate taxation in order to keep or attract investment. Such coordination ensures that jurisdictions *are* able to collect at least a minimum *effective* rate of 15% on corporate profits earned in their jurisdiction. The choice to participate is sovereign—and every jurisdiction will make its own choice, including the choice to collect more than the minimum to fund domestic objectives There is no cap on taxation. The global minimum tax is estimated to increase corporate tax revenues by between 3.6% and 7.8% in developing economies.

- As is the case within the United Nations, the OECD's international tax cooperation work rests on the sovereign choices of the individual nations and jurisdictions that choose to participate in OECD-hosted bodies, and agreement on coordinated approaches is achieved by consensus. As expressed in our previous reply to the UN Special Procedures, we reject the assertion that the consensus-based discussions of the now 147 countries and jurisdictions in the Inclusive Framework could be considered to be "a human rights violation that has already occurred, is ongoing, or which has a high risk of occurring".

2, rue André-Pascal
75775 Paris Cedex 16, France

www.oecd.org/ctp
manal.corwin@oecd.org

Direct line
Tel.: +33 (0) 1 45 24 18 80
Fax. : +33 (0) 1 44 30 63 12

Finally, just as we respect the sovereign decisions of the jurisdictions participating in the Inclusive Framework, we also respect the sovereign decisions of all United Nations member states in the current discussions on international tax cooperation at the United Nations. The OECD has a longstanding record of working constructively with the United Nations on international tax issues and we look forward to continuing this collaboration to advance our shared goals of a fairer international tax system that supports governments in funding domestic objectives and financing sustainable development.

Yours sincerely,

Manal Corwin
Director, CTPA