



ECOSOC Special Meeting on International Cooperation in Tax Matters

31st March 2023

Promoting Inclusive and Effective Tax Cooperation

Interventions by the South Centre

- Thank you, Madame President of ECOSOC, Excellencies, the South Centre, an intergovernmental think tank of developing countries with 55 Member States from Asia, Africa and Latin America, is grateful for the opportunity to share some views on this historic development in international tax cooperation, which we strongly welcome.
- We would like to start by stating that based on the inputs submitted by the various stakeholders from developing countries, three demands are common:
 - *First*, there must be an intergovernmental tax body at the UN
 - *Second*, there is a need for a binding multilateral UN Tax Convention which will both undergird such an intergovernmental body and provide the framework of international tax cooperation
 - *Third*, that the Two Pillar solution in its present form is inadequate and requires review.
- The South Centre lends its full support to these demands of developing countries.
- In addition, we would like to propose that the forthcoming UN tax cooperation instrument can address the following issues of governance in the international tax system:
 - *First*, the problem of accountability requires urgent resolution. The OECD Inclusive Framework and the Global Forum are not treaty based organisations and not formally accountable to anyone, including the G20. The proposed UN tax cooperation instrument can bring in an overarching rules-based process through which all existing international tax forums can be held accountable by countries.
 - *Second*, the existing method of decision-making by consensus must be eliminated wherever it exists, and replaced by the democratic principle of majority voting.
 - *Third*, the setting of a global tax agenda through a genuinely inclusive process taking onboard the views of all countries, both developed and developing, and the subsequent allocation of the agenda in a manner that avoids duplication of efforts.

- We reiterate our full support to our Member States and other developing countries in the forthcoming intergovernmental discussions in this regard.