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To: Taxreport2023 <taxreport2023@un.org>

Subject: Call for public input: Promotion of inclusive and effective tax cooperation at the United Nations

March 17, 2023

Mr. António Gueterres
Secretary-General
United Nations

Submission with Respect to General Assembly Resolution 77/244, Promotion of Inclusive and Effective Tax Cooperation at the United Nations

At the outset, I want to stress that I welcome and enthusiastically support this initiative to expand the role of the United Nations with respect to international tax issues, including international tax cooperation and combatting illicit financial flows and aggressive tax planning arrangements.

I have been teaching, writing, and consulting in the tax area for over 50 years. I have worked with the United Nations Committee on International Cooperation in Tax Matters on several issues related to the United Nations Model Convention and Commentary and have participated in several capacity-building exercises on behalf of the United Nations in Asia, Africa and South America.

My experience with the United Nations has led me to two simple, straightforward conclusions about the role of the United Nations in international tax issues that I hope will inform this initiative.

First, the needs of developing countries with respect to international tax are enormous and growing. Although several countries, the European Union, and international organizations, including the United Nations Committee of Experts, have made efforts to provide assistance to developing countries, these efforts have not been able to meet their growing needs. Second, in order to meet the needs of developing countries, the United Nations should substantially increase the resources devoted to helping developing countries on a priority basis.

For example, in my view, the current version of the United Nations Model Convention and Commentary could benefit from a major overhaul. Many of the existing provisions of the United Nations Model Convention

and much of the Commentary have been copied from the OECD Model Convention and Commentary. In my view, the alignment of the Commentary on the two Models is not an important goal for the United Nations Committee of Experts. The OECD Model Convention represents the interests of OECD member countries. Ideally, the United Nations Model Convention and Commentary should represent the interests of developing countries (non-OECD member countries) this requires a model convention and commentary that are completely independent of the OECD Model Convention (although not necessarily different)

What I mean by this is that where parts of the OECD Commentary are appropriate for adoption by the United Nations Commentary, they should be incorporated into the UN Commentary without quoting the OECD Commentary. Where the OECD Commentary is inappropriate or inadequate, the United Nations Committee of Experts should not hesitate to improve the OECD Commentary for purposes of the United Nations Model Convention by revising, clarifying or expanding it.

Another example of the importance of increased resources for the role of the United Nations is the need for capacity building with respect to tax matters for developing countries. This need has been widely recognized for decades but only token efforts have been taken to address it. Capacity building requires training programs in all aspects of taxation, including international taxation, without which developing countries will not be able to participate as equal partners with developed countries in multilateral efforts to improve international tax cooperation. These training programs should occur regularly on both a regional and individual country basis over the long term to be effective. In addition, developing countries require immediate technical assistance to deal with current international tax issues, such as the Pillar One and Pillar Two projects, which could have serious implications for them.

It is critical for any technical assistance and training programs for developing countries to be delivered by individuals who not only have the necessary technical expertise but also are independent, so that a relationship of trust can be built between the tax authorities of developing countries and the individuals providing the assistance or training. Ideally, this requires the assistance and training to be provided by individuals working for the United Nations Secretariat. Assistance and training provided by other international organizations, such as the OECD, or by tax officials from developed countries, are often viewed by developing countries, rightly or wrongly, with suspicion.

Yours truly,

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