



## **ICC response to the UN Secretary-General Call for Inputs on the “Promotion of inclusive and effective tax cooperation at the United Nations” Report**

The International Chamber of Commerce (ICC), as the institutional representative of over 45 million businesses in more than 100 countries – and in its capacity as Permanent Observer to the United Nations (UN) General Assembly – appreciates the opportunity to contribute to the [Call for Inputs](#) launched by the Secretary-General of the United Nations in relation to the resolution on [“Promotion of inclusive and effective tax cooperation at the United Nations”](#) adopted by the General Assembly on 30 December 2022.

With this resolution, we understand that Member States have requested that the Secretary-General prepare a report as the basis for further discussions during the Assembly’s seventh-eighth session, in the fourth quarter of 2023. The report aims to analyse all relevant international legal instruments, documents and recommendations that address international tax cooperation; it will evaluate options to strengthen the inclusiveness and effectiveness of such cooperation and their viability. Finally, the report will outline potential next steps.

In line with what ICC has advocated consistently throughout the past 100 years – since the first discussions on tax matters at the League of Nations -- we would like to reiterate the important role played by international tax cooperation in avoiding international double taxation and in ensuring greater tax certainty on a global scale. ICC has always supported – and continues to advocate for – transparent, efficient, predictable, and stable tax regimes which incentivise long term investment, job creation and economic growth.

A consistent global tax system, founded on the premise that stability, certainty, and consistency in global tax principles is the only way forward to foster cross-border trade and investment and ultimately to promote global economic growth. Thus, we believe that any international tax cooperation effort should be based on this premise and inspired by those principles.

### **Coordination among different existing frameworks for international tax cooperation**

ICC welcomes the fact that the report will take into account the work of the Committee of Experts on International Cooperation in Tax Matters, and the significant past progress made by the OECD Inclusive Framework on Base Erosion and Profit Shifting (para. 3), not least the two-pillars. ICC has always acknowledged and supported the important work carried out by the UN Tax Committee of Experts in enhancing and promoting international tax cooperation and providing capacity-building and technical assistance among national tax authorities of developing countries.

We believe that this report could also be a good opportunity to revise ways to strengthen existing international tax cooperation frameworks through the lens of the core principles of international tax policy: simplicity, neutrality, efficiency, certainty. However, any new initiatives for effective tax cooperation should avoid duplicating ongoing efforts or putting forward contradictory proposals. Such a scenario risks creating uncertainty for taxpayers and implementing governments, higher risks of double taxation due to fragmentation and conflicting frameworks with a possible increase in disputes – outcomes that would be severely damaging to the investment needed to deliver on the promise of the UN’s Sustainable Development Goals (SDGs).

ICC encourages further and strengthened international cooperation as long as its primary goal is to effectively reduce tax uncertainty and stabilise the international tax system – while consequently fostering cross-border trade and investment. Enhanced coordination is, to be sure, essential to avoid excessive burdens on the taxpayers that will have to comply with multiple tax frameworks. Any multiplication of instruments and frameworks risks adding layers of additional compliance and possible double taxation that will likely hamper business investment and economic growth. This is particularly concerning because a myriad of different standards and rules will result in additional confusion, increased accidental non-compliance and extended disputes between taxpayers and tax authorities.

In this context, we suggest that an existing platform for coordination that could potentially be further strengthened to prevent misalignments and contradicting policies is the Platform for Collaboration on Tax (PCT), which is a joint initiative of the IMF, OECD, UN and the World Bank Group.

### **The importance of consistency and coherence in policy implementation across countries**

International cooperation frameworks can be successful only if implemented consistently and coherently among countries. To present a truly simplified international corporate tax system framework, any new model or policy instrument must be consistent and coherent, agreed to by the widest possible number of countries.

Any increase in the adoption of unilateral and uncoordinated measures at single country level around the world raise fragmentation and the risk of harming business investment and economic growth. These measures can potentially lead to double taxation and aggravate compliance burdens for businesses operating in more than one country. Against this backdrop, there is an important role to be played by international tax cooperation in the years to come to prevent double taxation, ease compliance burdens and avert possible disputes.

### **Increasing tax certainty**

We believe that any new proposal in the area of tax cooperation should have tax certainty at its core. Higher tax certainty is essential for businesses and tax administrations alike. We fully support mandatory binding arbitration for disputes and other dispute prevention and resolution mechanisms that can give more confidence to taxpayers and tax administrations, especially in the case of developing countries. As in the past, we keep remaining available for constructive

engagement in order to find solutions that can increase the level of confidence and reliability in these instruments from both taxpayers and tax administrations.

### **Simplicity and administrability of tax policy initiatives**

In terms of simplicity, it is important to emphasise that any type of proposal shall reduce compliance burdens on both the taxpayer and the tax administrations. Overly complicated policy proposals are difficult to implement and to manage for taxpayers and tax administrations alike. This is particularly relevant for lower-capacity countries, where it is essential that any policy proposal is also effectively manageable.

Given the current frailty of the global economy, tax frameworks should be carefully designed and calibrated in order to not create additional obstacle to growth recover and cross-border trade and investment. By extension, new reforms and conventions with a global scope should also not be drafted in a rush. Similarly, there must be clear timeframes allowing necessary time for implementation of any policy changes and implementation should be consistent and coordinated across countries. Compliance should be streamlined across jurisdictions with simplified and common reporting frameworks.

### **Fostering multi-stakeholder dialogue**

ICC also appreciates that in the development of the report the Secretary-General will consult widely, not only with Member States, but also with relevant stakeholders. Given the long-standing constructive dialogue between ICC and the UN Tax Committee of Experts, we hope that future initiatives at UN level in the area of taxation will include deep and inclusive consultation with the global business community. This will be key to ensure that any proposals for future UN action to foster tax collaboration are manageable, coherent with existing frameworks and easily implementable – specifically, without the risk of hampering international investments and improving the relationship between taxpayers and tax administrations. We consider this vital to ensuring tax cooperation can contribute properly to the achievement of the SDGs.

We thank for the opportunity to provide our input on this important report, and we stay at further disposal of the secretariat to share the business community perspective on international tax cooperation.