Italy's inputs for the Secretary General's "Tax Report 2023" on "Promotion of inclusive and effective tax cooperation at the United Nations"

Italy aligns itself to the EU joint inputs submitted by the Presidency of the Council of the EU on behalf of the EU and its Member States.

The UN resolution 77/244 calls for a strengthened international tax cooperation and requests the Secretary-General to prepare a report on possible ways to enhance inclusiveness and effectiveness of such international cooperation.

Italy supports these objectives.

However, in our view the focus should be on improving the current international tax cooperation framework and the coordination among existing instruments rather than creating new competing fora, which would generate duplication and potentially jeopardise the progress already made.

The report should take into account the work and the achievements of the existing fora in a comprehensive manner, prioritize continued reliance on the existing mechanisms on international tax cooperation, and focus on improvements and better coordination among them, especially with the aim of ensuring that developing countries can better benefit from the international tax cooperation.

The *OECD/G20 Inclusive Framework on BEPS* has achieved unprecedented results, notably as regards the two-pillar-solution to address the tax challenges of digitalization. The Inclusive Framework is open and inclusive in nature: its 142 members participate on an equal footing and take decisions by consensus, thus ensuring legitimacy to the process. A huge number of countries is represented in this forum, as well as the African Tax Administration Forum (ATAF) as associate, with governance arrangements that ensure balance between OECD and non-OECD countries.
The achievements of the Inclusive Framework's two-pillar solution are a landmark reform in international taxation, with benefits also for developing countries, including profit allocation to market jurisdictions, simplified approaches to transfer pricing, reduction of the scope for tax competition.
Moreover, capacity building' initiatives have been undertaken to support developing countries to strengthen their tax infrastructures and take full advantage of the developments on international tax. Under the 2021 Italian G20 Presidency, a report was delivered to assess the progress made by developing countries through their participation in the Inclusive Framework. As follow-up of this report, in 2022 a *G20/OECD Roadmap on Developing Countries and International Taxation* has been released that contains recommendations on how to improve the capacity of developing countries in the effective implementation of the international tax reform.

The *Global Forum on Transparency and Exchange of Information for Tax Purposes* has gathered 165 jurisdictions, many of which are developing countries, participating on equal footing and in an inclusive manner. The Global Forum has achieved meaningful results in tackling tax evasion and supporting developing countries in the implementation of the international standards on tax transparency. The program *Tax Inspectors without Borders* has significantly contributed to the capacity of improving cooperation among tax administrations and thus the ability to detect tax evasion and collect unpaid taxes.

Moreover, the OECD Tax Academies are aimed to support developing jurisdictions in their enforcement of tax crimes and other financial crimes, thus stemming illicit financial flows, increasing domestic resource mobilisation, and building greater trust and confidence in the fairness of the tax system and the government as a whole.

We believe that the available resources should be used to deliver on the current initiatives and reinforce them through improved coordination between the United Nations and other international fora.In this sense, an enhanced role of the Platform on Collaboration on Tax would be key to address in a more coordinated manner the current challenges posed by the international tax landscape.

We are instead concerned about potential costs related to the creation of new bodies or instruments that may also undermine the existing initiatives.