



PERMANENT MISSION
OF THE PRINCIPALITY OF LIECHTENSTEIN
TO THE UNITED NATIONS
NEW YORK

Input from Liechtenstein

to the

Secretary General's report requested in resolution 77/244 of 30 December 2022 regarding the "Promotion of inclusive and effective international tax cooperation at the United Nations"

With reference to the invitation of the Secretariat of the United Nations of 27 February 2023 to provide input on resolution 77/244 of 30 December 2022 regarding "Promotion of inclusive and effective international tax cooperation at the United Nations", Liechtenstein thanks the Secretariat for this opportunity to provide input and makes the following submission:

Liechtenstein fully recognizes the importance of international cooperation in combating illicit financial flows, eliminating tax evasion as well as tax base erosion and profit shifting and promoting tax transparency. Combatting these issues is crucial to achieve the Sustainable Development Goals of the UN 2030 Agenda for Sustainable Development.

Liechtenstein, however, would like to recall that many international organizations, institutions, conventions and fora to address the content of resolution 77/244 already exist. This includes, amongst others, the OECD/G20 BEPS Inclusive Framework, the Global Forum on Transparency and Exchange of Information for Tax Purposes, and the FATF and its subsidiary bodies. Although these are ongoing processes, some more inter-linked than others, the following facts need to be acknowledged: 142 jurisdictions have joined the OECD/G20 Inclusive Framework on BEPS and the Convention on mutual administrative assistance in tax matters provides for a wide range of administrative assistance and has currently been signed by 146 jurisdictions, including many developing countries. The Global Forum that monitors the effective implementation of the tax transparency standard in a very inclusive manner consists of 165 members and plays a significant role also in the field of capacity building with a remarkable track record.

While recognizing that for international cooperation on tax matters to work it needs to be inclusive and effective we urge the UN Secretariat to take into full consideration the existing international legal instruments, tax transparency standards, peer review and capacity building processes. We are of the clear view that the creation of new conventions and institutions should be avoided in order to avoid duplications. It should be taken into consideration, that the

present framework does already include a significant amount of review-mechanisms that jurisdictions must undergo regularly. These review mechanisms and processes are substantial and have led to a high degree of implementation of international standards with various interdependencies between these stakeholders, standards and processes. Today, states are subject to around ten peer reviews in the area of international taxation on an ongoing basis, half of those peer reviews are conducted annually. This number is expected to grow due to new instruments and standards that are going to be implemented in the future within the existing frameworks. These processes are substantial and they require considerable resources for all those involved.

For Liechtenstein, it is crucial to avoid any additional uncertainties by creating additional mechanisms. These uncertainties will undermine states' capacities in a wide range of areas which will in particular affect developing countries. Consequently, Liechtenstein expresses its strong reservations to any process that aims at replicating or duplicating existing instruments and processes. Liechtenstein is of the firm view that an in-depth cost-effectiveness analysis needs to guide the future work of the UN Secretariat in this matter. We support an inclusive analysis to find possible gaps that could be filled within the existing frameworks.