

Statement by Mr. Navid Hanif
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24th Session of the Committee of Experts on International Cooperation in Tax Matters
Virtual, 4 April 2022

Co-chairs,
Distinguished Members,
Distinguished Observers,

On behalf of the Secretariat, I welcome you to the 24th session of the United Nations Committee of Experts on International Cooperation in Tax Matters.

This is the Committee's fifth virtual session since the outbreak of the COVID-19 pandemic. We sincerely hope to meet in person for the next session. Meanwhile, we appreciate the engagement brought by the virtual format, with over 330 registrations for this session.

We warmly welcome participation of Member States Observers and Observers from international organizations, academia, civil society and the private sector in the work of the Committee. Your generous and valued engagement in the work, at Subcommittee and Committee level, has greatly assisted the achievements of the Committee.

Today, I will focus my brief remarks in three areas: the outlook for international taxation and the Committee's role; the importance of this session in fulfilling the Committee's mandate; and putting the support to the work of the Committee on a more sustainable basis.

First, the future outlook for international taxation and, more broadly, domestic resource mobilization for sustainable development.

Since the 2015 Addis Ababa Action Agenda, there has been widespread recognition that, to bring the 2030 Agenda to life, the mobilization and effective use of domestic resources is crucial. Well-functioning domestic tax systems complemented by strong tax administrations and effective international tax cooperation are essential ingredients to make this a reality.

The COVID-19 pandemic wreaked havoc on countries, economies, and people, slowing down efforts to achieve this reality. In addition, it has adversely impacted tax revenues and increased revenue needs due to the massive disruption and downturn that most economies endured. On a broader level, the world has also seen countries turn inward, close their borders and focus on their domestic markets and supply chains.

As a result, we have to recognize that more needs to be done to ensure recovery and resilience. In his report, *Our Common Agenda*, the UN Secretary-General, highlights the strengthening of international tax cooperation, and combatting illicit financial flows, as key planks in building back better from the pandemic. In this spirit, we look forward to the ECOSOC Special Meeting on International Cooperation in Tax Matters that will take place on 8 April, held in conjunction every year with the New York session of the Committee. I encourage all of you to follow the discussions at the Special Meeting on two important topics – the future of corporate taxation in a globalized and digitalized world and tackling tax aspects of illicit financial flows.

Second, let me highlight the importance of this 24th Session in fulfilling the Committee's distinctive mandate, as an expert body of ECOSOC, to strengthen international cooperation in tax matters.

The Committee has shown ambition and continued commitment to producing guidance that is practical and feasible to administer and responsive to developing country realities. You also expanded the scope and scale of work: setting up 11 Subcommittees, up from nine (9) during the previous membership; and four (4) small groups, up from one (1) during the previous.

This explains the hefty agenda before you today. You are set to tackle critical issues touching upon select topics such as tax treaties, trade and investment agreements, transfer pricing, dispute avoidance and resolution, taxation of the extractive industries, environmental taxation, taxation of the digitalized and globalized economy, wealth taxes, health taxes, indirect taxes, the effect of the COVID-19 pandemic on international taxation, and capacity building, with Tax and SDGs as a cross-cutting theme.

Since October, various virtual meetings have taken place, ideas have been developed and draft work plans prepared by the Subcommittees to implement their mandates. During this session, Subcommittee and Small Groups Coordinators will present their proposed work streams to the Committee for its consideration. The Coordinators will undoubtedly emphasize the value-add of the proposed work streams toward meeting the Committee's mandate.

I look forward to the presentations and discussions that will take place, the valuable feedback that will be provided by the Committee, the inputs and expert advice from Observers, and the Committee decisions that will be taken. To the Committee Members, I want to say: Don't be afraid to make hard decisions where that is the best way to meet the Committee's mandate. That's what you are here for. And we are here to lend support.

Finally, allow me to remind all participants that the important work of the Committee would not be possible without financial support from Member States.

The Norwegian Agency for Development Cooperation (Norad) has and will continue to support the work for the next four years. India has provided financial support. Having made in-kind contributions in the past, the European Commission is providing financial support for the next three years. We are deeply grateful for these contributions, which have enabled us to strengthen substantive support to the Committee, its Subcommittees and related capacity building.

We sincerely hope that other Member States, including those now in talks, will make their contribution. Yet, we are also fully aware that funding of an adequate Secretariat capacity requires a more sustainable investment, through the regular budget, to help meet the ever-increasing demand for UN Tax Committee guidance and assistance and capacity building by UNDESA and its partners. It is in the interests of all UN Member States and all stakeholders in tax systems.

Distinguished Committee Members,

At this session, you have a full agenda and a range of important decisions to take that will determine the way forward in the work streams you have established. I know you will be both bold and practical, with a constant focus on providing guidance that will propel countries further in their quest for fair and effective tax systems, that work for taxpayers but also for the poorest, who can only aspire to taxpayer status, and that work for the present but also the future.

I wish you a productive and successful session.

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