

Statement by Mr. Navid Hanif
Assistant Secretary-General for Economic and Social Development
to the Twenty-sixth Session of the UN Committee of Experts on International Cooperation in Tax
Matters
New York, 27 March 2023

On behalf of the United Nations, I warmly welcome Members and Observers to this Twenty-sixth Session of the UN Tax Committee. We celebrate the return of meeting in person in New York and look forward to a productive session conducted in the Committee's collegial fashion.

This is a hybrid session – allowing in-person and virtual participation by Observers. We appreciate the time zone issues for many remote participants. Yet, this is a big step forward in ensuring inclusive Committee sessions, especially for those in developing countries and other stakeholders who may not otherwise be able to participate.

This session presents Members the opportunity to take stock of progress on the workplans agreed at the start of this 2021-2025 membership – and to determine how to take them forward.

The Committee's work is focused on delivering guidance that aims to assist developing countries in their domestic revenue mobilization efforts and fiscal policies supporting the achievement of the Sustainable Development Goals. It greatly assists other stakeholders also, including through encouraging consistent, coherent and transparent tax policy and administration.

The world economy - already weakened by the pandemic - has been hit by several shocks causing global economic activity to experience a broad-based and sharper-than-expected slowdown. Inflation has hit levels not seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, the war in Ukraine, and the lingering COVID-19 pandemic all weigh heavily on economies with developing countries, especially the least developed, disproportionately affected.

With interest rates rising sharply, the debt crisis is putting enormous strain on public finances, in these countries that need to invest in education, health care, their economies and adapting to climate change. All eyes turn to how fair, efficient and effective taxation systems can help meet these challenges.

While not directly a subject of discussion at this Committee session, the call for inclusiveness and effectiveness is clearly voiced. And it must be clearly heard by all working to improve international tax cooperation. Committee Members and all participants in the UN tax work will have an opportunity to exchange with UN Member States and others on these issues during the ECOSOC Special Meeting on International Cooperation in Tax Matters. Discussions will respond to the new resolution ([77/244](#)) adopted by the General Assembly on “Promotion of inclusive and effective international tax cooperation at the United Nations.”

What this Twenty-sixth Session will surely reflect is how the Committee and all stakeholders in its work play a pivotal role in promoting international tax cooperation and multilateralism. Let me provide a few illustrations.

The session will consider options for a more multilateralized form of implementing Article 12B of the UN Model Tax Convention and a limited number of other optional provisions, including those potentially relevant to taxing the digitalized and globalized economy.

The Committee will consider proposals on how to address challenges posed by remote workers, a practice that became widespread with the COVID-19 pandemic and the aftereffects of reimagining the workplace.

The Committee will hear and discuss reports of the progress made by the Subcommittees at this halfway mark in its four-year agenda, in such areas as: transfer pricing; the ever-pertinent issue of environmental taxation and climate progress, taxation of the extractives industry; tax treaty issues, wealth and solidarity taxes; health taxes; and other indirect taxes.

There will also be reports on the work carried out to prepare revenue administrations for the future: through digitalizing their operations; and by exploring the relationship between tax, trade, and investment agreements. A Secretariat paper to be presented also examines the challenges which digital assets pose for tax systems, with special focus on developing countries.

This impressive range of guidance under development by the Committee is designed to assist developing countries looking to improve their public financing through effective taxation and will contribute to developing fiscal policy that is effective in mobilizing revenue, while providing a stable and fair tax environment and supporting achievement of the Sustainable Development Goals.

I look forward to very engaging discussions drawing from the wealth of experience and expertise of all of you gathered here in New York and in our virtual room. I wish the Committee and all Observers a productive, informative, and enjoyable Session.

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