

**Statement delivered by Mr. Juma Mkabakuli, Assistant Commissioner, Ministry of Finance of the United Republic of Tanzania during the Second Session of the Ad Hoc Committee to Draft the Terms of Reference for a United Nations Framework Convention on International Tax Cooperation**

**Monday, 29 July 2024**

**Mr. Chair,  
Excellencies,  
Distinguished Delegates,**

1. The United Republic of Tanzania aligns with the statement delivered by Uganda on behalf of the Group of 77 and China and statement delivered by Burundi on behalf of the African Group.
2. We also commend remarks by other delegates who fully recognize the significant role that fair and effective tax systems plays in mobilizing domestic resources for sustainable development particularly to developing countries in Africa and the Global South.

**Mr. Chair,**

3. Since the adoption of the Addis Ababa Action Agenda, developing countries including Tanzania are implementing robust reforms of the tax system to broaden the tax base and modernize revenue administration. However, due to the interaction of the global trade and investments, domestic resource mobilization can be sustainably achieved on inclusivity approach through the proper forum which offer for legitimacy, inclusivity, universality, transparency, and accountability.
4. We therefore, support the commitment on Strengthening the role of the United Nations in international tax cooperation and the need of fast tracking the process to develop UN Framework Convention on Tax which will ensure: -
  - ❖ First, balancing taxation rights. There is a need to address the challenges faced by developing countries and ensure that taxes are paid to the Governments of countries where economic activity occurs, value is created and from where revenues are generated;
  - ❖ Second, effective taxation of cross-border services as well as digital taxation, prioritizing the taxation of digital economy will be a quick win and provide relief for countries which are unable to tax these sectors owing to the ineffectiveness of the existing rules;

- ❖ Third, addressing of illicit Financial Flows, tools to combat aggressive tax avoidance and evasion, recovering and returning stolen assets, promoting financial integrity, improving public institutions, boosting coordinated development and inclusive growth amongst member states;
- ❖ Fourth, International tax rules remain relevant and effective as technology and business models evolve;
- ❖ Fifth, protecting developing countries' share of value created directly and indirectly from their natural resources; and
- ❖ Sixth, there should be clear guidelines on which organizations are responsible for assisting and funding developing countries to enhance their skills in international tax practices and related issues. This ensures these countries have adequate capabilities in tax policy and administration.

In conclusion Mr. Chair, Tanzania reiterates its readiness to engage constructively in negotiation of this process to ensure balancing of taxation rights.

**THANK YOU.**