

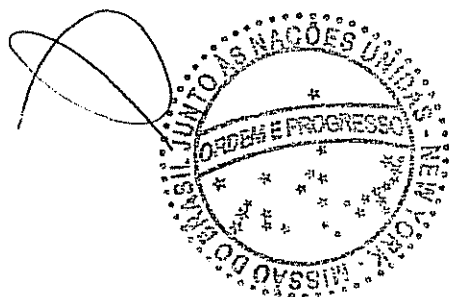
*Permanent Mission of Brazil
to the United Nations
New York*

Nº 045

The Permanent Mission of Brazil to the United Nations presents its compliments to the United Nations Financing for Development Office and has the honour to refer to the Economic and Social Council resolution 2010/33 titled "Committee of Experts on International Cooperation in Tax Matters".

Pursuant to operative paragraph 1 of the resolution, the Permanent Mission of Brazil encloses, forthwith, the submission by the Brazilian Government on strengthening the Committee of Experts on International Cooperation in Tax Matters".

The Permanent Mission of Brazil avails itself of this opportunity to renew to the United Nations Financing for Development the assurances of its highest consideration.



New York, 20 January 2011.

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The Committee of Experts on International Cooperation in Tax Matters

Submission by Brazil

The Monterrey Consensus recognized the importance of promoting international cooperation in tax matters through enhanced dialogue and coordination among national tax authorities, multilateral bodies and relevant regional organizations.

The Economic and Social Council resolution 2004/69 aimed at advancing the agreed outcome. It upgraded the Ad Hoc Group on International Cooperation in Tax Matters to a Committee of Experts, and change its reporting lines, mandate, organizational structure and modalities of work. Although it maintained the same legal status within the UN System, the new body gained enhanced political standing.

During its six sessions, the Committee has been able to play a positive role in promoting international cooperation in tax matters. As recognized in the Doha Declaration on Financing for Development, however, much more needs to be done. While each country is responsible for its tax system, in many cases, national efforts could greatly benefit from strengthened technical assistance and enhanced international cooperation.

The resolution upgrading the Committee was an important first step that needs to be complemented by additional measures towards establishing an intergovernmental body with dedicated technical staff and expanded budget, with a view to allowing an integrated and effective treatment of tax and development questions. The Economic and Social Council resolution 2010/33 offers an opportunity to consolidate the achievements of the Committee and advance further towards that goal.

As the only international body in tax matters with both developing and developed members, the Committee can play a crucial role in fostering dialogue and cooperation between national tax authorities, and in promoting South-South Cooperation. The Committee can count on the support and convening power of the United Nations with a

view to ensuring the participation of national tax authorities both at the technical and policy setting level.

In its current format, however, the work of the Committee is limited by the nature of the body. In order for the Committee to fully discharge its functions, its deliberations should have an intergovernmental nature. As an expert body, it is also not adequately equipped to address some of the emerging challenges in tax matters, such as the international fight against tax evasion, promotion of transparency and international exchange of information on tax matters. Effective cooperation in such areas requires institutional arrangements that only an intergovernmental body can ensure.

The Committee could also play a useful role in contributing to the objectives established in the G-20 Seoul Summit, namely supporting the development of more effective national tax systems.

In this regard, the legitimacy and efficacy of the Committee could be further enhanced by expanding its membership and geographical representation to include additional developing countries, particularly from the Latin America and Caribbean region.
