



UNITED STATES MISSION TO THE UNITED NATIONS

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NEW YORK, N.Y. 10017-3505

January 31, 2011

By Email: taxffdoffice@un.org

Department of Economic and Social Affairs
Financing for Development Office
Two United Nations Plaza
Room DC2-2172
New York, NY 100017

To Whom It May Concern:

Please allow me to convey to you in the attached document the submission of the United States of America in response to DESA-10/3508, which requests Member States views on the strengthening of institutional arrangements to promote international cooperation in tax matters.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frederick D. Batton".

Ambassador Frederick D. Batton
U.S. Representative to ECOSOC

Attachment: U.S. Submission on Strengthening International Tax Cooperation (2 pages)

**SUBMISSION OF THE UNITED STATES OF AMERICA
TO THE UNITED NATIONS SECRETARIAT
ON STRENGTHENING INTERNATIONAL COOPERATION IN TAX MATTERS**

January 31, 2011

The United States welcomes this opportunity to present its views on the topic of strengthening of institutional arrangements to promote international cooperation in tax matters, including the UN Committee of Experts on International Cooperation in Tax Matters.

The United States wishes to acknowledge the excellent ongoing cooperation that is already being carried out in this area by a number of highly technically competent bodies through a variety of broadly focused and inclusive processes and initiatives. These include efforts by the IMF, African Tax Administration Forum (ATAF), the Inter-American Association of Tax Administrators (CIAT), the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Organization for Economic Co-Operation and Development (OECD), the development agencies of many countries, as well as by the UN Committee of Experts. The United States notes that the work being undertaken in these contexts is designed to take into account the concerns and policy positions of both developing and developed countries.

For example, OECD Secretary General Angel Gurría in his 13 September 2010 letter to United Nations Secretary General Ban Ki-moon highlighted a broad range of OECD initiatives that actively promote participation of developed and developing countries alike. It should also be noted that the OECD Secretariat regularly conducts seminars and workshops in developing countries on matters such as tax treaty negotiation and interpretation as well as transfer pricing and dispute resolution. In 2010 alone, the OECD Secretariat sponsored or participated in events in China, Ecuador, Egypt, India, Indonesia, Malawi, Malaysia, Nigeria and South Africa.

In his letter, Mr. Gurría also called for more active UN engagement in these efforts. The United States welcomes these efforts and Mr. Gurría's invitation to establish closer links with UN initiatives. Improving dialogue between existing processes should be a first pragmatic step forward in considering means by which future international cooperation can continue to be strengthened.

In strengthening international tax cooperation we have a responsibility to reduce redundancies and duplication of effort. Over the last few decades, the OECD has developed the technical expertise and a strong comparative advantage in these matters. While the Committee of Experts has made some progress towards identifying common ground on a revised UN Model Income Tax Convention, the work is in many ways redundant with work that has been undertaken by the OECD's Working Party that examines issues related to the OECD Model Tax Convention. For example, most recently, the Committee of Experts examined such issues as dispute resolution, exchange of information, treatment of income from services and the concept of beneficial ownership. However, the OECD's Working Party has already dedicated significant resources to studying these same issues, made significant advances in providing on-line information and resources to tax policy officials around the world about interpretation and negotiation of income

tax treaties, and gone to great lengths to ensure its work is relevant to officials from both developed and developing countries alike.

We must also continue to take into account the wide variance in tax policy between and among Member States. It is equally important that many Member States, including the United States, consider that it is our fundamental sovereign right to establish our own national tax principles and policies.

The United States supports improved dialogue and collaboration among existing bodies. However, we cannot support a broadening of the scope and function of the committee, including proposals that would upgrade it to a new intergovernmental body at the United Nations. Again, the United States very much looks forward to working with other interested delegations on this important matter.
