

**Closing remarks by  
H.E. Frederick Musiiwa Makamure Shava, President of the  
Economic and Social Council**

**ECOSOC special meeting on international cooperation in tax  
matters  
(ECOSOC Chamber, 9 December 2016)**

Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen,

We have concluded our discussions today on international cooperation in tax matters, and the important contribution it makes to mobilizing domestic financial resources for sustainable development.

This week was an important milestone in discussions on international tax cooperation at the United Nations. It was the first time that the session of the Committee of Experts on International Cooperation in Tax Matters and the ECOSOC special meeting were held back-to-back in New York. As evident from the discussions at the meeting today, this arrangement contributed to enhancing intergovernmental consideration of tax issues at the United Nations. We have seen, during today's discussion, the importance of building a bridge between the technical work of the Committee and the development agenda of ECOSOC, and the contribution it could make to advancing the implementation of the 2030 Agenda for Sustainable Development.

The insightful panel discussions and interactive dialogues with the participation of Committee Members, representatives of national tax authorities, UN delegations, international and regional organizations and other stakeholders have highlighted the pressing issues to be addressed by the international community on tax cooperation. I thank you all for your meaningful participation in these dialogues.

We began the day with a presentation by the Chair of the Committee, who provided an overview of the outcomes of the 13<sup>th</sup> session of the Committee, which was held this week in New York. Mr. Lara updated us

on the most relevant topics which were covered, including possible changes to articles and commentaries of the UN Model, the update of the UN Practical Manual on Transfer Pricing, environmental tax issues and extractive industry taxation.

During the panel discussions that followed, we heard some practical examples of how tax avoidance schemes used by multinational enterprises can erode the tax base of developing countries. This is particularly relevant since a large part of the domestic resources of developing countries are raised through corporate taxation. To tackle such strategies, and to protect the tax base of developing countries, measures to combat tax avoidance and evasion are needed. As we heard this morning, such measures include the implementation of transfer pricing regulations and exchange of tax information.

We were also familiarized with some of the main challenges related to the taxation of strategic economic sectors in developing countries, namely the extractive industries and cross-border services. We appreciated how the Committee had been working on providing guidance to ensure these sources of income were taxed adequately, potentially broadening the tax base of developing countries.

The last panel discussion of the morning focused on some instruments to translate the work of the Committee into capacity building. The Manual on the Negotiation of Double Tax Treaties is a precious practical tool that can support negotiators in reaching a fair balance between source and residence taxation of cross-border transactions.

In the afternoon, the dialogue focussed on the recommendations contained in the July 2016 report entitled "*Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries*", submitted by the inter-agency Platform for Collaboration on Tax to the G20 Finance Ministers.

The United Nations spoke about how to ensure that political commitment to tax reform is promoted and that the international tax agenda delivers for developing countries, including the mandates of the

Addis Ababa Action Agenda and the Committee. The OECD discussed the need for countries to identify their own national priorities on international tax cooperation in the rapidly changing international tax landscape. The IMF spoke about why and how to establish medium term reform strategies, including a framework for design, implementation and measurement; and the World Bank discussed how to improve and integrate diagnostic tools and strategic thinking. We also heard from regional organizations in Latin America and Africa on how their work would interact with the work of the Platform.

Panellists also discussed the next steps for the Platform. Of particular note was discussion on the 1<sup>st</sup> Global Conference to be organized by the Platform and hosted at UN Headquarters in New York in February 2018. This Conference will focus on an important topic of the role of taxation in achieving the SDGs. We look forward to hearing more about this event as its planning progresses.

To conclude, allow me to emphasize the importance of the continued and strengthened cooperation between the Committee and ECOSOC toward enhancing intergovernmental consideration of tax issues at the United Nations. Today's meeting was a great example of how effective discourse between these bodies and all stakeholders can move forward the dialogue on international tax cooperation.

Thank you.