

**MEETING OF THE ECONOMIC AND SOCIAL COUNCIL WITH THE  
CHAIRS OF THE FUNCTIONAL COMMISSIONS AND EXPERT BODIES**

**1 FEBRUARY 2021**

**10 AM – 12 PM NY TIME**

**Statement by the Co-Chair of The Committee of Experts on International Cooperation  
in Tax Matters, Mr. Eric Mensah**

Excellencies,

The UN Tax Committee is an expert body of ECOSOC, composed of 25 high-level members nominated by Governments and acting in their personal capacity. It develops guidance for governments and tax administrators of developing countries, to support both their domestic tax policies and international tax cooperation. The Committee aims to help countries mobilize domestic resources, by broadening their tax base, strengthening tax administration and curbing tax avoidance and evasion. The Committee is winding up its current membership's 4-year term, with its last session in April 2021.

During this term, members have worked on updating and boosting the practical relevance of the Committee's signature products (e.g., the UN Model double taxation convention, the UN Transfer Pricing Manual, and the Handbook on Taxation of the Extractives Industries). It has also developed new publications on key issues (e.g. new UN handbooks on tax dispute avoidance and resolution and on environmental taxation). And it has produced guidance on the tax treatment of government-to-government aid projects, as a contribution to domestic resource mobilization and policy coherence for sustainable development.

This output in the coming months will include an optional bilateral tax treaty article on taxation of automated digital services – an important issue in the context of the digitalized economy. This issue has gained global prominence in the wake of the COVID-19 pandemic, as countries explore various channels of domestic revenue mobilization, to assist in their recovery efforts. Strengthening DRM in developing countries, through enhancing their capacity in tax policy and tax administration, is key to the COVID-19 response and recovery, supporting the 2030 Agenda for Sustainable Development and Decade of Action. The “rules of the game” for international taxation should reflect this reality and leave no-one behind.

The Committee has also highlighted the issue of Tax and SDGs – now a regular agenda item for sessions -and several areas identified as requiring prioritization, including: inequality in capital and income, formalizing the informal sector, capacity building on customs and administration, tax incentives and their often-negative impact on achieving the SDGs, data analytics, with greater information needs and availability, and addressing the impacts of climate change. The multi-faceted COVID-19 crisis has continued almost unabated – changing the way we work, learn, live and consume. It has revealed and deepened inequalities between and within countries, as well as between stakeholders in tax systems. Progress toward the SDGs has stalled, and in some cases, reversed. To build forward better, short-term pandemic response measures must be geared to support medium- and long-term sustainable development. Both domestic efforts and multilateral action will be necessary, and the most vulnerable countries will need international support.

The Committee will intensify its support and guidance for developing countries on emerging international tax issues in the Decade of Action. For example, building their capacity to handle international tax disputes, as well as dealing with the vital issue of taxation of the digitalized economy. It will also advance its advisory role to the Secretariat on priority capacity building activities for developing countries to support their DRM strategies, in the context of the 2030 and Addis Agendas. It also intends to continually engage with ECOSOC Members and others, especially through the Annual Special Tax Meeting, to generate policy recommendations, proposals and strategies on promoting coordination and cooperation on international tax matters and domestic resource mobilization. The Committee proposes that the Presidential Summary of the ECOSOC Special Meeting on International Cooperation in Tax Matters be recognized as an official input to the annual reviews by the High-Level Political Forum of progress in achieving the 2030 Agenda and its means of implementation.

The Committee works closely with other international bodies like the OECD, IMF, The World Bank Group and other regional tax groupings, and sees the value of working with other functional commissions and subsidiary bodies and welcomes their expertise and input into its work. Engagements such as the current one, are useful in building working relationships and cooperation among the subsidiary bodies. Tax work is increasingly focused on a broader context, e.g. stemming illicit financial flows, data and statistical capacities for effective domestic resource mobilization and tax cooperation, increasing the opportunities for helpful dialogue.

Thank you.