



ECOSOC PLENARY MEETING

**TO CONSIDER THE REPORT OF THE SG ON THE STRENGTHENING OF INSTITUTIONAL
ARRANGEMENTS TO PROMOTE INTERNATIONAL COOPERATION IN TAX MATTERS, INCLUDING
THE COMMITTEE OF EXPERTS ON INTERNATIONAL COOPERATION IN TAX MATTERS
(E/2011/76)**

26 APRIL 2011

STATEMENT DELIVERED BY ATTILA ZIMONYI, DEPUTY PERMANENT REPRESENTATIVE OF HUNGARY TO THE UNITED NATIONS, ON BEHALF OF THE EUROPEAN UNION

Mr President,

I have the honour to speak on behalf of the European Union and its Member States.

The Candidate Countries Turkey, Croatia*, the former Yugoslav Republic of Macedonia*, Montenegro*, the Countries of the Stabilisation and Association Process and potential candidates Albania and Serbia, as well as the Republic of Moldova and Georgia align themselves with this declaration.

We welcome this opportunity to discuss the Secretary General's report on the strengthening of institutional arrangements to promote international cooperation in tax matters, including the UN Committee of Experts on International Cooperation in Tax Matters.

The Doha declaration gave ECOSOC the mandate to examine how to strengthen institutional arrangements to promote cooperation in tax matters. Implementing this mandate requires a thorough and informed analysis and discussion. That's why during the substantive session of ECOSOC in 2010, the EU pleaded for a comprehensive report, fed by consultations of Member States and relevant stakeholders, to serve as the basis for a discussion in ECOSOC this year.

Mr President,

We thank the SG for the report released on 18 March. We welcome that the report underscores the universal consensus on the key role of international tax cooperation for the mobilization of financial resources for development. We also appreciate the review of existing institutional arrangements,

* Croatia, the former Yugoslav Republic of Macedonia and Montenegro continue to be part of the Stabilisation and Association Process.

including the UN Committee of Experts, and of the work done on tax matters in various international fora. Finally, we take note of the summary of the views provided by Member States and the three options presented by the Secretariat, for consideration by the Council, on the strengthening of institutional arrangements within the UN to enhance international tax cooperation.

In particular, we note that out of the thirty-two replies provided by UNMS (including the EU reply on behalf of its 27 MS), only six MS proposed an upgrading of the UN Committee of experts to an intergovernmental body subsidiary to ECOSOC. The majority, including the EU and its Member States, recommended being prudent towards an initiative that could be seen as competing with existing institutions rather than aiming at improving international cooperation in the tax area. According to the majority of MS that contributed to the SG report, efforts should rather focus on enhancing synergies with other international fora, in particular with the OECD. Therefore, we believe that only option "a" (strengthening the existing arrangements within the United Nations while retaining the current format of the Committee of Experts), should be considered further.

Mr President,

Supporting developing countries in designing efficient and cooperative tax systems is a priority of the EU's development policy. Enhancing the involvement of developing countries in relevant international fora on tax dialogue and cooperation contributes to their efforts to effectively tackle tax evasion and other harmful practices. The EU supports broader participation of developing countries in existing structures, and enhanced cooperation between the OECD, the UN Committee of Experts, the International Tax Dialogue, and the International Tax Compact, taking into account the specific needs and capacities of developing countries.

In this context, the EU fully recognizes the important role of the UN, through its Committee of Experts, in international cooperation in tax matters, and the need to ensure that the Committee maintains its effectiveness. However, the EU firmly believes that, before considering options for setting-up new intergovernmental bodies or upgrading the existing structures, every effort should be made to ensure that the existing Committee and sub-committees function in the most effective way. On the basis of the SG report, we reaffirm that further work is required to assess in a comprehensive manner the performance of the existing Committee of Experts and the recently created Sub-committees.

As stated in the SG report, there are already a number of international fora pursuing similar objectives (ie the OECD Global Forum and joint task-force on tax and development, the UN Committee of experts, the International Tax Compact and the International Tax Dialogue). We should explore how to improve cooperation among these bodies, especially when developing international standards, in order to ensure that these meet the specific needs and capacities of different nations. In this regard, we could benefit from informal meetings with the relevant stakeholders and representatives of the different organizations.

The regional perspective, briefly referred to in the SG report, also merits further analysis. We need to look at how the Committee of Experts cooperates with fora such as the African Tax Administration Forum and the Inter-American Centre of Tax Administrations, IMF regional technical centres, and with related initiatives such as the Extractive Industries Transparency Initiative (EITI).

Finally, the EU Member States are very concerned at the increased resource commitments that would be inherent to all the options proposed by the SG, especially options "b" and "c", aiming at upgrading or expanding the mandate of the UN Committee of experts.

You can count on the constructive and active engagement of the EU in future discussions on this topic.

Thank you very much, Mr. President.