



Economic and Social Council

“Special Meeting on International Cooperation in Tax Matters ”

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

We welcome this meeting and we value the work of the Committee of Experts on International Cooperation in Tax Matters who are doing an extremely valuable job in close cooperation with other international organizations. We consider this Committee as an example of what the UN can do efficiently with modest resources. As a subsidiary body of ECOSOC, besides updating, as necessary, the *United Nations Model Double Taxation Convention* and the *Manual for the Negotiation of Bilateral Tax*, it also provides a framework for dialogue with a view to enhancing and promoting international tax cooperation among national tax authorities and assesses how new and emerging issues could affect this cooperation. In all its activities, the Committee gives special attention to developing countries and countries with economies in transition

-The Monterrey Consensus underscored that an effective, efficient, transparent and accountable system for mobilizing public resources and managing their use by Governments, was essential for development. It recognized the need to secure fiscal sustainability, along with equitable and efficient tax systems and administrations. Tax fraud and tax evasion limit countries' capacity to raise revenue and carry out their economic policies.

-In current times of tight budgetary constraints, combating tax fraud and tax evasion is more than an issue of tax fairness - it becomes essential for the political and social acceptability of fiscal consolidation. The European Union and its member states are stepping up the fight against tax evasion and tax fraud. The main results of the European Council which met last week on the 22 May 2013 are that the EU will be able to roll out the automatic exchange of bank information by 2015. On company taxation, by July 2013, it will adopt legislation to better tackle VAT fraud and, by the end of the year, legislative texts to better address tax avoidance and planning, and also money-laundering.

- On Capacity Building in developing countries there is bilateral support from individual EU member states as we have heard from the presentations in the panel– eg United Kingdom has an extensive programme, and via OECD – where some MS assist OECD in providing assistance etc. There is also some support via the European Commission on specific projects in a few countries and training etc. There is also cooperation with other donors -IMF, World Bank etc. We are keen to ensure that capacity development is directed towards countries who are committed to the three principles of good tax governance – transparency, exchange of information and fair tax competition.

Thank you Mr. President.