Opening statement by
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Economic and Social Council

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

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to welcome you to this special meeting of the
Economic and Social Council on international cooperation in tax matters
with the participation of representatives of national tax authorities.

Today’s meeting is held back-to-back with the 13th session of the
Committee of Experts on International Cooperation in Tax Matters,
which, for the first time, was held here in New York. This new
arrangement is a result of a consensus reached by Member States last
October, on the way to operationalize the new mandates related to the
Committee contained in the Addis Ababa Action Agenda of the Third
International Conference on Financing for Development.

In Addis, Member States decided to increase the engagement of the
Committee with ECOSOC through this special meeting, with a view to
enhancing intergovernmental consideration of tax issues at the United
Nations. This illustrates the importance, which countries assign to
taxation as one of the most important means of mobilizing resources for
sustainable development.

Allow me to take this opportunity, on behalf of the Economic and Social
Council, to welcome our participants here today. In particular, I am
pleased to see numerous representatives from national tax authorities,
members of the Committee, and representatives of international and
regional organizations. Your participation and contribution to this
meeting are much appreciated, and I look forward to hearing your views
on a wide range of tax issues throughout the day.
mechanisms for the exchange of tax information among countries have to be enacted to support domestic efforts.

I am pleased to welcome the Coordinators of the three relevant Subcommittees, who will share with us the Committee’s work on these topics, so relevant for developing countries in their efforts to mobilize domestic resources.

The second dialogue will focus on the challenges related to broadening the tax base of developing countries, in particular taxation of services and extractive industries.

Services play an increasingly important role in global trade, and due to their very nature, they are often difficult to track and correctly value for taxation purposes. Entities in developing countries are often the recipients of services from international sources, however many countries lack clear rules for the taxation of cross-border services.

Likewise, mining and petroleum-related activities are central to the economy of many developing countries. The key challenge is to ensure that these countries receive a fair share of the wealth derived from the exploitation of their resources, while being able to attract investment into these sectors.

I would like to thank the Coordinators, who will provide valuable insights on the taxation of these two economic sectors of crucial importance for developing countries.

The third dialogue will focus on instruments for implementation developed and promoted by the Committee. The Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries is an invaluable practical instrument to support developing countries in their negotiations, based on the UN Model.

Also, the Financing for Development Office of UN-DESA started in 2012 the implementation of a Capacity Development Programme, which provides comprehensive support to strengthen the capacity of developing countries to increase their potential for domestic revenue
While strong development-oriented tax policies, modernized tax systems and efficient tax collection procedures are essential at the national level, these must be strengthened through international tax cooperation. I am confident that today’s meeting, which brings together the Committee and the Council, will serve to enhance the dialogue on tax cooperation moving forward.

I thank you for your attention.