



**REMARKS BY MR MAHLATSE MMINELE DEPUTY PERMANENT REPRESENTATIVE OF THE PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS AT THE SPECIAL MEETING OF ECOSOC ON INTERNATIONAL COOPERATION IN TAX MATTERS, ECOSOC CHAMBER, (New York, 7 April 2017)**

Thank you Mr President,

South Africa would like to thank you for convening this special meeting and also recognize the distinguished speakers who have presented in today's meeting.

Mr President,

South Africa is appreciative of the Council decision of 2016 which makes it possible for some of the tax committee meetings to be held in New York. This has made it possible for this august Organ of the UN to host this special meeting that has the potential to pave the way for developing a mechanism that is truly intergovernmental and universal on an issue that affects every single Member State, that of international cooperation on taxation.

Mr President,

The Addis Ababa Action Agenda places a high threshold on domestic resource mobilization by calling that ... “Significant additional domestic public resources, supplemented by international assistance as appropriate, will be critical to realizing sustainable development and achieving the sustainable development goals.” This is a huge responsibility left on the shoulders of many developing countries that do not have the requisite capacity to mobilize sufficient resources to meet the above-mentioned objective.

In the same vein the Addis Ababa Action Agenda calls for a strengthened international cooperation to support efforts to build capacity in developing countries, including through enhanced official development assistance (ODA).” It is therefore disappointing that obstacles and challenges that have been identified have not been met with the will or the means to address these impeding issues. South Africa strongly discourages an unbalanced and selective focus on the Addis Ababa Action Agenda. All the seven action areas of the Agenda if applied without bias, have a real potential to lead to global economic growth to benefit both developed and developing countries.

Mr President,

South Africa commends the technical work that is being carried out by the United Nations Committee of Experts on International Cooperation in Tax Matters. In line with the Addis Ababa Action Agenda commitment to scaling

up international tax cooperation, South Africa welcomes the call for strengthening support to the United Nations Committee of Experts on International Cooperation in Tax Matters to improve its efficiency.

Further, as we gather here today, there is still no global, inclusive norm-setting mechanism or body for international tax cooperation at the inter-governmental level. South Africa therefore, continues to believe that there is a need to evolve and upgrade the UN Committee of Experts on International Cooperation in Tax Matters into a full inter-governmental body.

Mr President,

The scourge of illicit financial flows (IFFs) continues to drain developing countries, particularly the African Continent of billions of dollars that could be the potential source of revenue critical in attaining economic growth. By some estimates, including that of the UN Economic Commission for Africa, “illicit flows from the continent could be as much as US \$50 billion per annum. This is approximately double the official development assistance (ODA) that Africa receives and, indeed, the estimate may well be short of reality, as accurate data does not exist for all transactions and for all African countries.” It is therefore an economic and social imperative that Member States work together to jointly address this scourge.

South Africa views the combatting of illicit flows, putting an end to tax evasion and tax avoidance as a matter of international cooperation. These matters could be addressed with a solid and universal and inter-

governmental tax regime that will close all loopholes for potential abuse and as such empower national governments to have stronger and water-tight legislative systems to efficiently and meaningfully govern their tax matters.

Mr President, in conclusion, as we all focus on the implementation of the 2030 Agenda and the Addis Ababa Action Agenda respectively, it is clear that there is a fundamental need for a concerted global push to do away with business as usual and swiftly transform the current tax apparatus. This will indeed move us closer to the objective that underpins all our efforts, as Member States of the UN, to eradicate poverty in all its forms and dimensions.

I thank you Mr President.