



**Economic and Social Council  
Special Meeting on International Cooperation in Tax Matters  
(ECOSOC Chamber, 18 May 2018)**

Two important topics that are directly related to the key role that taxation must play in increasing domestic resource mobilization will be discussed during the **ECOSOC Special Meeting on International Cooperation in Tax Matters**, which will take place on 18 May 2018.

The first topic is **Taxation and the Digitalization of the Economy**. New business models used by some digital enterprises raise important challenges for tax systems. A number of countries and international and regional organizations (such as the OECD and the EU) have recently made or proposed important tax changes that seek to address these challenges. These developments will be addressed during the meeting and speakers and participants will be invited to discuss the following questions:

- What should be the key priorities for developing countries in any review of basic principles for the allocation of taxing rights between jurisdictions in relation to the digitalization of the economy?
- How best to ensure that developing countries collect value-added taxes on the supply of digital property and services by foreign enterprises to local consumers?
- What actions should be taken to ensure that the tax administrations of developing countries are not left behind as regards the use of new IT technologies, such as block chain technologies, to better collect taxes and provide services to taxpayers?

The second topic is **Taxation of ODA-funded projects**. The session dealing with this topic will address the problems for the tax authorities of developing countries that arise from the wide tax exemptions requested by some governments and international organizations for their official development assistance projects. These exemptions typically cover custom duties on imported goods, value-added taxes and income taxes for personnel and enterprises. While there may be good reasons for requesting some tax exemptions, overly broad tax exemptions can raise significant concerns for developing countries, including economic distortions, increases in transaction costs, potential for abuses and an increased administrative burden for the tax administrations of these countries. They may also run counter to the overall aim of strengthening domestic resource mobilization in these countries. The session will provide an opportunity to discuss developing country concerns that are raised by these broad exemptions, including possible ways of addressing these concerns.

The meeting will also include updates on the work of the United Nations Committee of Experts on International Cooperation in Tax Matters and of the inter-agency Platform for Collaboration on Tax.

If you would like to have more information on the topics that will be addressed during the meeting or would like to discuss a possible intervention from your country, please contact Mr. Harry Tonino at +1-212 963-8762 (or by email at [tonino@un.org](mailto:tonino@un.org)).