

**Opening remarks by H.E. Inga Rhonda King**  
**President of the Economic and Social Council**  
**ECOSOC Special Meeting on International Cooperation in Tax Matters**  
**New York, 29 April 2019**

Excellencies,  
Distinguished delegates,  
Ladies and gentlemen,

I am honoured to welcome you to the 2019 Special Meeting of the Economic and Social Council on international cooperation in tax matters.

Let me also warmly welcome the members of the Committee of Experts on International Cooperation in Tax Matters and the representatives from civil society and the business sector. We look forward to your active participation in the discussions.

Our Forum on Financing for Development, two weeks ago, provided a platform for fresh and forward-looking reflection on the many challenges to be addressed in order to ensure that countries have the financing and other support needed to achieve the 2030 Agenda for Sustainable Development.

Today's special meeting will further probe the role of taxation: as a tool to strengthen the mobilization of domestic resources and as a fiscal policy instrument to directly support progress towards the Sustainable Development Goals.

Our first panel this morning will address taxation and the digitalization of the economy. We will start with the various proposals for corporate tax changes now being debated. These could potentially result in major changes to the current way of allocating taxing rights on profits from cross-border transactions.

The challenges here go beyond business models. The digitalization of the economy has not created but exacerbated the risks of tax avoidance stemming from the basic features of the existing corporate tax rules.

The importance of these risks is shown by the proliferation of corporate structures that shift profits to entities that escape taxation or are taxed at only very low rates – what we now call the issue of “BEPS” (base erosion and profit shifting).

This issue largely relates to the fundamental question of where business profits originate and should therefore be taxed.

It is difficult to define and measure the location and respective contribution of different profit-generating factors, especially where significant profits derive from intangible assets used in a large number of countries.

This morning's panel will consider how the current proposals could address these systemic problems in a way that would support the efforts of developing countries to mobilize domestic resources for sustainable development.

The panel will be followed by general discussion, where we invite all of you to reflect on the most relevant issues faced by your country or organization in relation to taxation and the SDGs.

In the afternoon, the next panel will analyze how taxation can help deliver on the commitments to environmental protection contained in the Paris Agreement on Climate Change as well as the 2030 Agenda.

Human-caused climate change and pollution, which endanger ecosystems, societies and economies, have made it necessary for countries at all levels of development to take concrete measures.

The 2030 Agenda includes ambitious targets on combating climate change and its impacts at the global and local levels, as well as on conservation of ecosystems.

Beyond specific goals, however, solutions to environmental challenges are a foundation to achieving all the objectives of the 2030 Agenda, leaving no one behind.

The right mix of environmental taxation and taxation of natural resources, with a sound strategy for their progressive implementation, could contribute to climate protection and sustainable development more broadly.

Participants will seek to identify lessons learned from pioneering initiatives and discuss the pros and cons of different measures.

You will also exchange views on what issues should be taken into account by countries, at different levels of development, which are considering the implementation of environmental taxation.

The last panel will concentrate on taxation and inequality.

Adequate domestic and international fiscal policies can play an important role in reducing inequalities, with the broader objective of leaving no one behind.

Each country has its own views of what is the "desirable" distribution of income and wealth. There may be little agreement on how different taxpayers should contribute to public revenues, or on what might be the implications of different tax policies.

Yet, it can be observed that "mega wealth," typically concentrated in the hands of a few individuals, is often not taxed adequately. In developing countries, it is often not taxed at all.

The panel will explore the potential of fiscal systems to increase or reduce inequality, and different taxation and expenditure options available to countries at different levels of development.

Participants will also consider the broader economic and societal implications of such policies, and the potential political challenges.

Excellencies,  
Ladies and gentlemen,

What will impact the SDG agenda is not only how much tax we raise, but also how we raise taxes and how we spend them.

These issues are vital. Let us be candid in our discussions and creative in bringing forward ideas and solutions.

Thank you.

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