

**Statement by Mr. Navid Hanif**  
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**18<sup>th</sup> Session of the Committee of Experts on International Cooperation in Tax Matters**  
**New York, 23 April 2019**

Co-Chairs,  
Distinguished Members of the Committee,  
Distinguished Observers,  
Ladies and Gentlemen,

On behalf of the UN Department of Economic and Social Affairs, I have the honour to welcome you to the 18<sup>th</sup> Session of the Committee of Experts on International Cooperation in Tax Matters.

In my presentation, I would like to help set the agenda of the Committee in its larger sustainable development context. I will also briefly address three other issues: increasing the relevance and impact of the Committee's work; engaging with other actors; and further strengthening Secretariat support to the work of the Committee.

First, this session opens against a backdrop of complexity and uncertainty. As the Secretary-General stressed to last week's ECOSOC Financing for Development Forum, various trends complicate efforts towards the Sustainable Development Goals: uneven growth, rising debt levels, financial volatility and global trade tensions, as well as climate change, disruptive technologies and persistent inequalities within and among countries.

One of the key messages to emerge from the Forum was that more public financial resources – domestic and international – are urgently needed in health, education and other social sectors. Effective tax rules and administration – including through improved tax cooperation – will play a vital role in closing this gap.

At the same time, digitalization of the economy poses challenges and opportunities for taxation. Countries need to evaluate the impact on the ground of the various options under discussion, before they can be expected to agree on new or amended global taxation rules. The United Nations, OECD, IMF and others all have important roles to play in this urgent process.

The United Nations comes from a distinctive position in these efforts. This Committee has developed the pathbreaking model tax treaty provision that allows for taxation of fees for technical services provided to a country, even without a physical presence in that country. Many developing countries apply this provision today.

During this week's session, the Committee will provide guidance to the ongoing work of the subcommittee on taxation of the digitalized economy. It will give a first reading to parts of several products in draft. This include among others, updates of the UN Model and the transfer pricing manual, and a new handbook on taxation of the extractive industries. The Committee will also review draft guidelines on special exemptions claimed for ODA projects.

Every tax dollar and every action for policy coherence counts.

In this spirit, the Committee will further probe the "tax and SDGs" dynamic. It will continue to look, beyond domestic resource mobilization, at how taxation can help reduce inequality and promote other policies and behaviours in support of the 2030 Agenda for Sustainable Development. This will also lay the ground for discussion on these topics at the next Monday's special meeting of ECOSOC on tax cooperation.

Second, I want to highlight some of the ways we in the Secretariat are assisting the Committee at this critical time. We have focussed on helping you frame your work in the broader sustainable development context, as just mentioned; communicate your ongoing work and messages to a wider audience; and strengthen its impact.

By advancing an integrated approach to our tax policy and capacity building work, the Secretariat is making better use of Committee “products” and ensuring greater ‘real-time’ feedback from trainings to the work of the Committee and its Subcommittees.

We had a successful pilot of combining capacity building and a subcommittee meeting during the Extractives subcommittee meeting in Vietnam in March. Such efforts will continue and gain momentum in the coming months.

Third, we continue to explore how we can best work with partners at secretariat level, including through the Platform for Collaboration on Tax. The platform brings together the IMF, OECD, United Nations and World Bank Group in activities from capacity building to producing “toolkits” on policy and administrative issues, within the broader framework of “tax and the SDGs”.

We are working to step up our engagement with other tax centres of expertise and influence, including regional and inter-regional groupings of tax administrations.

We have also initiated a Network of Experts on International Tax Cooperation within the UN system, to help improve the support we give you and ensure a more whole-of-UN response to tax issues.

Finally, as Secretariat, we strive to use the resources available to support the Committee as efficiently as possible. Recent financial support, from the Indian government and the European Commission, has helped the vital work of the subcommittees, as have in-kind contributions by meeting hosts. We are also working with the Committee to develop more targeted, effective and resource-efficient workplans covering the span of its tenure, through July 2021.

Nonetheless, the Committee will need significantly stepped up staff and financial support to produce its main deliverables – and help member States accelerate progress on the 2030 Agenda over the next few years.

UNDESA has prepared a multi-donor project to: i) provide strengthened substantive and logistical support to the Committee, including its Subcommittees; ii) support more inclusive and broad-based country engagement in international tax discussions and institutions; and iii) enhance and strengthen the impact of capacity development efforts aimed at disseminating and operationalizing the Committee’s work at country level.

The project budget is 6.75 million US dollars over a 2.5-year period, through June 2021. With the generous support of one government, arrangements are nearly final for mobilizing two-thirds of this total sum. In the spirit of the Addis Tax Initiative, we urge governments to consider a timely contribution to this project.

More countries need to step up as ‘Friends of the Committee’ to support the work. We trust that more Committee Members will lend their first-hand knowledge and authority to achieving that. With your support, in a world where the importance of tax to sustainable development is increasingly recognized, the UN can play its proper role in all aspects of mobilizing tax corporation for development.

I wish the Committee and all participants a highly successful session.

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