



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. WAHEED AL-SHAMI, SECOND SECRETARY, PERMANENT MISSION OF YEMEN TO THE UNITED NATIONS, FOLLOWING THE ADOPTION OF THE RESOLUTION ON THE COMMITTEE OF EXPERTS ON INTERNATIONAL COOPERATION IN TAX MATTERS, AT THE 2010 SUBSTANTIVE SESSION OF THE ECONOMIC AND SOCIAL COUNCIL (New York, 23 July 2010)

Mr. President,

1. The Group of 77 and China welcomes the adoption by consensus of the resolution on the Committee of Experts on International Cooperation in Tax Matters at this the 2010 Substantive Session of the Economic and Social Council.

Mr. President,

2. Despite the commitment made in the Monterrey Consensus and reaffirmed at the International Conference on Financing for Development at Doha in 2008 and during the United Nations Conference on the World Financial and Economic Crisis last year, to develop a more participatory approach to international decision-making and rule setting, including for ECOSOC to examine the strengthening of institutional arrangements to promote international cooperation in tax matters, including the United Nations Committee of Experts. It is disappointing that there has been no constructive movement to fulfil this mandate until now.

3. Consequently, G77 and China whilst not entirely happy with the current process on the issue, welcomes this constructive step and anticipates a result oriented outcome to this resolution. It must also be noted that the Group is committed to the text proposed during the negotiations and reserves the right to revisit these position in the future as the matter progress.

Mr. President,

4. Strengthening international cooperation in tax matters through the strengthening of institutional arrangements at the international level should ensure that the international community supports national efforts to enhance domestic public resources, while taking into account the need to enhance the fiscal capacity and policy space of developing countries.

5. There must be a transparent, impartial and multilateral approach for monitoring and assessing compliance with international standards on the part of all jurisdictions, onshore and offshore. There must be a level-playing field for all tax jurisdictions. All jurisdictions which have undertaken similar commitments and actions should receive similar treatment.

Mr. President,

6. G77 recognizes the fact that while each country is responsible for its tax system, it is important to have mechanisms to support national efforts geared at an efficient tax administration and policies through the enhancement of international cooperation and participation at the multilateral level. Such mechanism is through the United Nations Committee of Experts on International Cooperation in Tax Matters, which has developed important tools and guides as to how countries can work together on tax issues. Notably, the UN Model Tax Convention, the Manual for Negotiations of Bilateral Tax Treaties between developed and developing countries and the Code of Conduct on

7. Moreover, whilst some delegations may argue that there are dialogue and tangible actions taking place at the international level, notably at the OECD through the Global Forum on Tax. It is important to note that the United Nations is the only true global forum and that these other processes are devoid of a development agenda skewed in favour of their constituents, the developed countries.

8. To this end, the Group of 77 and China urges Member States to consider the conversion of the United Nations Committee of Experts on International Cooperation in Tax Matters into an intergovernmental subsidiary body of the Economic and Social Council, through a mechanism that is inclusive, participatory and where broad-based dialogue on international tax issues would be considered and agreed not resulting in the encroachment on the sovereignty of Member States.

Mr. President,

9. G77 and China stand ready to engage actively and constructively with Member States and the Council to ensure that the mandate given in this resolution is addressed and that the process would be successful.

Thank you.