



STATEMENT ON BEHALF OF GROUP OF 77 AND CHINA BY MR. LARBI DJACTA, PERMANENT MISSION OF ALGERIA TO THE UNITED NATIONS, ON INTERNATIONAL COOPERATION IN TAX MATTERS AFTER THE ADOPTION OF THE RESOLUTION BY THE ECONOMIC AND SOCIAL COUNCIL (New York, 27 July 2012)

Mr. President,

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 2012 Substantive Session of the Economic and Social Council.

Mr. President,

Despite the commitment made in the Monterrey Consensus and reaffirmed at the International Conference on Financing for Development at Doha and during the United Nations Conference on the World Financial and Economic Crisis to develop a more participatory approach to international decision-making and rule setting, including for ECOSOC to examine the strengthening of the institutional arrangements to promote international cooperation in tax matters, including the Committee of Experts on International Cooperation in Tax Matters, it remains disappointing that there has been little concrete movement to fulfil this mandate.

Consequently, the G77 and China while not entirely happy with the current process on the issue, welcomes, as an important step, the much needed process of intergovernmental consideration of international cooperation in tax matters as provided for in this current resolution. It is our view that the one-day meeting of ECOSOC as called for in the resolution will provide, inter alia, the opportunity for continued consultations on the strengthening of institutional arrangements to promote international cooperation in tax matters. In this connection, it must be added that the Group is committed to the upgrade of the Committee into an intergovernmental subsidiary body of the ECOSOC and reserves the right to revisit the position in the future as the matter progresses.

Mr. President,

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.

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,

The 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. The United Nations Committee of Experts on International Cooperation in Tax Matters is such a

mechanism, and has developed important tools and guidelines as to how countries can work together on tax issues, most recently, the 2011 revised version of the United Nations.

Moreover, while 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.

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,

The G77 and China stands 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.