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| From:    | General Secretariat of the Council   |
| To:      | Delegations  |
| Subject: | UN tax resolution - Contribution by the European Union and its Member States |

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Delegations will find attached a contribution by the European Union and its Member States on the UN tax resolution.

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**European Union  
Delegation to the United Nations**

NV 2023/157

The Delegation of the European Union to the United Nations presents its compliments to the Department of Economic and Social Affairs, Financing for Sustainable Development Office.

In response to Note Verbale from the Secretariat of the United Nations DESA-23/00487, the European Union would like to transmit contribution on behalf of the European Union and its Member States to the UN Resolution on promoting inclusive and effective international tax cooperation at the United Nations.

The Delegation of the European Union to the United Nations presents its compliments to the Department of Economic and Social Affairs, Financing for Sustainable Development Office the assurances of its highest consideration.

New York, 17 March 2023

Department of Economic and Social Affairs  
Financing for Sustainable Development Office  
Two United Nations Plaza  
Room DC2-2306  
New York, NY 10017  
Email: [taxreport2023@un.org](mailto:taxreport2023@un.org)





**General Secretariat of the Council**  
Chair of the Working Party on Tax Questions (High Level)

Brussels, 16 March 2023

The attached contribution is an input from the European Union and its Member States in response to the invitation by the UN Secretary-General to submit feedback, by 17 March 2023, in view of the preparation of his report following the General Assembly resolution 77/244 on “Promotion of inclusive and effective tax cooperation at the United Nations”.

Niklas Ekstrand  
Director General for Tax and Customs  
Ministry of Finance of Sweden  
Swedish Presidency of the Council of the EU

**sweden**  
**2023.eu** Swedish Presidency  
of the Council of the  
European Union

**Contribution**  
**on behalf of the European Union and its Member States**  
**UN Resolution on promoting inclusive and effective international tax cooperation at the**  
**United Nations**

The European Union and its Member States welcome the consultation on the Resolution on the “Promotion of inclusive and effective international tax cooperation at the United Nations” adopted by the General Assembly of the United Nations on 30 December 2022.

Fighting global tax avoidance and tax evasion, as well as illicit financial flows, is more urgent than ever, as a series of severe economic crises over the last fifteen years have increased the cost of living and exacerbated inequalities. Tax abuse and illicit financial activity drain state resources that are indispensable to counter the impact of these crises on people’s lives and provide support to those in need while encouraging investment in the Sustainable Development Goals and climate actions.

The European Union and its Member States strongly support multilateralism and international cooperation. These processes are key to addressing the challenges of an increasingly globalized and digitalized economy. In particular, strengthened international tax cooperation contributes greatly to tackling tax avoidance and evasion, as well as illicit financial flows. A prosperous and cohesive international community builds on the implementation of global tax standards that can effectively address those challenges.

The European Union and its Member States also recognize the need for distributing general wealth more fairly, to support countries and people in need. It concurs with the principle that taxpayers must pay their fair share to make this objective possible. In this regard, large multinational enterprises have a particularly important role to play, as they benefit mostly from the opportunities of international trade and of domestic markets that compete against each other for foreign direct investment. Introducing global tax standards is of utmost importance also to stop the race to the bottom, which has led developed and developing countries to reduce their corporate income tax rates in the hope of attracting more investments. It therefore follows that increasing tax transparency and upgrading fair taxation standards worldwide through multilateralism and international tax cooperation is the best way to create prosperous societies that truly deliver on sustainable development.

The European Union and its Member States believe that the United Nations can play a key role in harnessing these efforts and promoting global cooperation in the area of taxation. At the same time, it will be important to exploit synergies with the work that is being carried out by other international bodies. In this respect, the European Union and its Member States support the efforts of existing international fora such as the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) and the Global Forum on Transparency and Exchange of Information to promote international tax cooperation and design a new international tax architecture. The European Union and its Member States support the Political Agreement of October 2021 on the so-called ‘Two-Pillar’ solution, which has to date been endorsed by 138 jurisdictions.

Considering the commitment of the OECD/G20 Inclusive Framework on BEPS to delivering a multilateral solution to address the global tax challenges, the European Union believes that the work of the United Nations should support the ongoing negotiating process, which has reached its final stages, whilst avoiding undue duplication of international efforts and a risk of likely inconsistent outcomes at the global level.

The European Union and its Member States support developing countries' effective participation in decision-making at the level of the existing multilateral fora and encourages their further involvement. These fora offer jurisdictions the possibility to contribute to the design and establishment of international standards and their inclusive governance allows constructive participation by all members. Additionally, they provide substantial support to developing countries towards the implementation of such standards. More importantly, these fora remain open to any country wishing to join. Higher involvement of developing countries is key to ensure the representativeness of multilateral fora and increase the sense of ownership globally. The EU and its Member States have been at the frontline of the efforts to ensure that developing countries can benefit from the new tax deal and more generally, the advantages of international cooperation. The European Union and its Member States are convinced that the effective participation of both developed and developing countries in shaping international tax standards is vital to reflect a global reality and its challenges. We are ready to provide further assistance to our partners in this regard.

The European Union and its Member States remain committed to finalizing the remaining technical work and ensuring that this landmark tax reform, as well as other initiatives which aim at combatting tax evasion, avoidance and illicit financial flows, can be implemented, to the benefit of everyone. The European Union and its Member States recognize the unicity of the UN architecture and the added value which more coordination between the UN and the existing international fora can bring to the successful implementation of new and existing international tax standards. In this respect, we wish to further explore ways to reinforce the Platform on Collaboration on Tax, which has proved a useful outlet to deploy joint efforts for initiatives aimed at promoting the fight against illicit financial flows and domestic revenue mobilization.

The European Union and its Member States see efforts on effective international tax cooperation also in the context of the "collect more – spend better" approach. This includes supporting partner countries in their efforts of promoting their own reform plans for fair and effective Domestic Revenue Mobilization (DRM) in line with the Addis Ababa Action Agenda and the Addis Tax Initiative. Aspects of this engagement are policy coherence for development of EU initiatives, the support to partner countries in participating and contributing to the international tax discussions as well as assistance in making best use of tax good governance standards for revenue mobilization.

The European Union and its Member States highly appreciate the launch of a public consultation on this matter and will continue to engage in, and contribute to, this debate at the United Nations openly and constructively.