



## **Conference on South-South Cooperation in International Tax Matters: *Don't Cede Your Taxing Rights By Signing A Blank Cheque***

**27-28 November 2023**

*Venue: CICG - The International Conference Center Geneva, Room Plenary B  
Rue de Varembe 17, 1202 Geneva  
Join online: [bit.ly/ssc-tax](https://bit.ly/ssc-tax)*

### **Overview**

The OECD Two Pillar solution for the taxation of the digitalized economy and global minimum taxation has been under criticism for its failure to reform global tax rules, curb profit shifting and tax induced Illicit Financial Flows and generate additional revenue for developing countries, particularly during times of severe economic and climate crises that disproportionately affect the Global South.

Despite growing criticism and lack of unanimity even among countries in the Inclusive Framework, the OECD is moving ahead to promote the adoption of a highly complex solution for taxing the digital economy, namely through the Amount A Multilateral Convention (MLC). This will apply to only around 70 Multinational Enterprises (MNEs), redistribute a tiny portion of their profits (only 25% of residual profits) to the developing world, and according to the OECD itself, is expected to generate minimal revenues. These rules, which are far from being a global solution, were developed in the context of the OECD 'Inclusive' Framework, which -contrary to its name does not include most African, Asian and Latin American countries- has no statutory basis, no transparency, no democratic rules of procedure to govern its functioning.<sup>1</sup>

It is expected that by late 2023 the Amount A Multilateral Convention will be opened for signature, with actual signing to take place in December. Further, the developed countries who are promoting it are giving no indication whether they will sign it themselves. The ratification of such countries, especially the USA, is essential for Amount A to work. Only if they agree will there be profits to be redistributed, which would be less than 10% of the global profits of fewer than 100 companies. The latest estimates show that the USA accounts for 46% of the companies covered under Amount A and 58% of redistributed profits.<sup>2</sup> By contrast, the European Union as a whole accounts for 15% of the covered groups and only 7% of redistributed profits. This has been recognized in the July 2023 Outcome Statement through the so-called "30-60 rule" which requires that at least 30 jurisdictions accounting for 60% of the in-scope Multinational Enterprises (MNEs) sign the Amount A MLC by end 2023 as a precondition for the ban on national measures to be applicable. In effect, the OECD Inclusive Framework members have agreed to pause planned national measures only if the USA and other major jurisdictions sign the Amount A Multilateral Convention (MLC).

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<sup>1</sup> <https://www.southcentre.int/contributions-on-taxation-iffs-and-human-rights-to-ie-report-to-unga-77-30-may-2022/>

<sup>2</sup> [https://www.taxobservatory.eu/wp-content/uploads/2023/07/EUTO\\_Note\\_The-Long-Road-to-Pillar-One-Implementation\\_20230712.pdf](https://www.taxobservatory.eu/wp-content/uploads/2023/07/EUTO_Note_The-Long-Road-to-Pillar-One-Implementation_20230712.pdf)

As yet, there are no indications from either the USA or the EU that they will sign the Amount A MLC. There is thus a high-risk possible scenario for developing countries: that they sign the Amount A MLC and in effect give up their taxing rights, while the largest developed countries do not sign and retain their ultimate objective: prevent developing countries to tax the MNEs, notably, the tech giants headquartered in the Global North. In addition, the ban on national tax measures has been extended till end 2024, with the possibility of it being extended till even end 2025.

This will have dire consequences for developing countries. It will lock them into an agreement which deprives them of their taxing rights; it will hand-tie them, preventing them from using sovereign rights in introducing unilateral measures to enhance their domestic revenue, especially at a time of historic poly-crisis; and it will force them to continue playing a subaltern role in global rule making and standard setting.

For developing countries who decide to proceed with unilateral or national measures, such as Digital Services Taxes, there is the risk of pressure and arm-twisting from the Global North. This risk will be faced both by developing countries within the Inclusive Framework who reject the Amount A MLC as well as those who are non-members of the Inclusive Framework, for whom national measures are the sole option. South-South Cooperation and solidarity between developing countries becomes essential to resisting those pressures and upholding national sovereignty.

Developing countries should not be deterred by OECD led manoeuvres to force them into a deal that does not reflect their interests. Nor should they allow these efforts to undermine the intergovernmental process towards a UN Tax Convention agreed consensually at the UN in November 2022 that actually stands to deliver more for the Global South.

There is thus an urgent need for developing countries to understand the full range of implications of the Amount A MLC and the OECD Two Pillar solution in general, and to compare it to what they stand to gain from the changes in governance of the international tax architecture that will come about through the implementation of the UN resolution<sup>3</sup> on “Promotion of inclusive and effective international tax cooperation at the United Nations” tabled by the Africa Group at the UN and unanimously adopted in October 2022, to enable well-informed decision-making.

The report<sup>4</sup> of the UN Secretary General on strengthening international tax cooperation has provided concrete options for promoting effective and inclusive international tax cooperation at the United Nations; these options now need to be reflected by developing countries into a UN Tax Convention.

A UN Tax Convention has the possibility to fulfill the long-standing demand of the developing world: the creation of a legitimate, and truly inclusive and global intergovernmental tax body at the United Nations. This is what can bring fairness, equity, genuine inclusion and stability to the international tax system. A set of rules that are multilaterally negotiated by all countries on an equal footing in a transparent, democratic and rules-based process under the aegis of the United Nations, is what can provide genuinely global solutions which will be balanced and long-lasting.

Revenue estimates by the South Centre and the Coalition for Dialogue on Africa have shown that the United Nations solution for taxing the digital economy, Article 12B of the UN Model Tax Convention, can generate up to three times higher revenues than Amount A for developing

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<https://financing.desa.un.org/document/general-assembly-resolution-promotion-inclusive-and-effective-tax-cooperation-united-0>

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<https://financing.desa.un.org/document/promotion-inclusive-and-effective-international-tax-cooperation-united-nations-a78235>

countries.<sup>5</sup> Evidence therefore clearly indicates that developing countries stand to gain much more from a UN Tax Convention rather than the current OECD package deal.

Given this historic backdrop, the South Centre and the Global Alliance for Tax Justice (GATJ) are organizing a two day in-person event as a space of reflection and stocktaking to consolidate the Global South’s way forward. The event seeks to bring together major stakeholders from the Global South to discuss:

1. The pitfalls and risks of the OECD-led multilateral convention and its implications for developing countries;
2. Alternative Domestic Options for developing countries to enhance their tax revenue; for example, Digital Services Taxes, Significant Economic Presence or the application of Article 12B of the UN Model Tax Convention proposed by the UN Tax Committee for digital taxation;
3. Avenues forward for Global South countries to come together and resist the pressure that may follow if they opt for alternatives to the OECD Two Pillar solution, including the referred to article 12B and national measures;
4. The way forward for the Global South to continue their support for the UN tax Resolution and ensure that its implementation leads to the adoption of a UN Tax Convention and the creation of a truly inclusive and democratic global tax governance within the framework of the United Nations.

## Agenda

### Day 1 (27 November 2023)

0830 – 0900	<b>Registration &amp; Coffee</b>
0900 – 1000	<p><b>Opening Ceremony</b></p> <p>Welcoming Remarks by <b>Dr. Dereje Alemayehu</b>, Executive Director, Global Alliance for Tax Justice</p> <p>Welcoming Remarks by <b>Dr. Carlos Correa</b>, Executive Director, South Centre</p> <p><b>Inaugural addresses:</b></p> <ul style="list-style-type: none"> <li>- H.E. Dr. Abdallah Saleh Possi, Ambassador and Permanent Representative of Tanzania to the UN in Geneva in the context of Tanzania’s Chairing of the G-77+China in Geneva</li> </ul>
1000 – 1030	<b>Introduction of Participants</b>
1030 – 1200	<p><b>Panel Discussion I: Amount A of Pillar One – to Sign or Not to Sign?</b></p> <p><i>[The Amount A Multilateral Convention (MLC) of the OECD provides a paradigm shift in the taxation of multinational enterprises. The decision to sign it or not is for all countries arguably the most important decision in the history</i></p>

<sup>5</sup> <https://www.southcentre.int/research-paper-156-1-june-2022/>

	<p><i>of international taxation. The key objective of the panel is to inform delegates from foreign and finance Ministries of the implications of the Amount A MLC. This panel will assess the MLC from the standpoint of developing countries and discuss its pros and cons, implications and risks, what are the preconditions for it to work, potential revenue estimates and its administrative feasibility. The Panel will also discuss the likely future scenarios of the Amount A MLC and how developing countries should respond in case major developed countries do not sign it and it does not come into force.]</i></p> <p><b>Introduction and Conclusion by Chair:</b> Marlene Nembhard Parker, Deputy Commissioner General- Legal Support Services, Tax Administration Jamaica, and co- chair of the OECD BEPS Inclusive Framework</p> <p><b>Speakers:</b></p> <p><i>Preliminary Findings: Country-level Revenue Estimates of Amount A vs Digital Services Taxes for South Centre, ATAF, WATAF and African Union Member States</i></p> <ul style="list-style-type: none"> <li>● Joint Presentation by Abdul Muheet Chowdhary, South Centre, Emmanuel Eze, ATAF and Abiodun Adegboye, WATAF</li> </ul> <p><i>Tax Revenue from Pillar One Amount A: Country-by-Country Estimates</i></p> <ul style="list-style-type: none"> <li>● Mona Barake, EU Tax Observatory</li> </ul> <p><i>Amount A: Overview and Implications for Developing Countries</i></p> <ul style="list-style-type: none"> <li>● Muh Ichwanuddin, Transfer Pricing and International Taxation – Lead Analyst, Directorate General of Taxes, Indonesia</li> <li>● Dr. Sri Vatsa Sehra, Under Secretary, Foreign Tax &amp; Tax Research, Central Board of Direct Taxes, India</li> </ul> <p><i>Implementation and Administrative Feasibility of Amount A for Developing Countries</i></p> <ul style="list-style-type: none"> <li>● Dr Hazlina Hussain, Head of Revenue Solicitor/Director, Special Appeal Department, Inland Revenue Board of Malaysia</li> </ul> <p><i>Why the Two Pillar solution won't work for Africa and the Global South</i></p> <ul style="list-style-type: none"> <li>● Everlyn Muendo, Tax Justice Network Africa</li> </ul> <p><b>Q&amp;A</b></p>
1200 –1320	<p><b>Breakout Group Discussion</b></p> <p><i>(The audience will be divided into tables of 5-6. Each table will have participants from Ministries of Finance, tax administration, Foreign Affairs and civil society. The audience will discuss certain questions provided to them beforehand relating to the topic of the Panel. The discussion will last 1 hour. Each table will nominate a rapporteur who will summarize to the hall the discussion of the table.)</i></p>
1320 – 1330	<p><b>Concluding Remarks by Panelists and Chair Reflecting on Breakout Group Discussion</b></p>

1330 – 1430	<b>Lunch</b>
1430 – 1600	<p><b>Panel Discussion IIa: Digital Taxation – Alternatives, Country Experiences and Global South Solidarity</b></p> <p><i>[This Panel will discuss what are the practical alternatives to Amount A for taxing the digital economy. The Panel will showcase country experiences in implementing Digital Services Taxes.</i></p> <p><i>The discussion on alternatives gains increased significance as one of the major restrictions of Amount A is that a country agreeing to it must give up the right to impose any digital taxes on out of scope companies. Thus, they will only be able to use Amount A and solely for the approximately 100 companies in-scope.]</i></p> <p><b>Introduction and Conclusion by Chair:</b> Babatunde Oladapo, Executive Secretary, West African Tax Administration Forum</p> <p><b>Speakers:</b></p> <p><i>Digital Services Taxes: Implementation Experience and Revenue Collected</i></p> <ul style="list-style-type: none"> <li>● Muhammad Ashfaq Ahmed, Member, UN Tax Committee (Pakistan)</li> <li>● Prakash Paudel, Chief Tax Officer, Large Taxpayers Office, Kathmandu, Nepal</li> <li>● Nickson Omondi Odondi, Kenya Revenue Authority</li> <li>● Dr Vinay Kumar Singh, Joint Secretary, Foreign Tax &amp; Tax Research Division, Central Board of Direct Taxes (India)</li> </ul>
1600 – 1610	<b>Coffee Break</b>
1610 – 1630	<b>Address by H.E. Mr. Indra Mani Pandey, Ambassador and Permanent Representative of India to the UN in Geneva, in the context of India’s Presidency of G-20</b>
1630 – 1740	<p><b>Panel Discussion IIb: Digital Taxation – Alternatives, Country Experiences and Global South Solidarity</b></p> <p><i>[This Panel will discuss what are the practical alternatives to Amount A for taxing the digital economy. The Panel will showcase country experiences in implementing Significant Economic Presence, focusing on revenue collected and implementation challenges. It will also explore treaty based solutions such as the United Nations’ Article 12B and the ongoing efforts to create a UN Multilateral Instrument to accelerate its adoption.</i></p> <p><i>Lastly, the discussion will explore the political consequences of implementing alternatives to Amount A, what pressure tactics would be adopted by the Global North as a result and practical ways through which developing countries can support each other in overcoming this pressure.]</i></p> <p><b>Introduction and Conclusion by Chair:</b> Daniel Titelman, Director, Economic Development Division, UN Economic Commission for Latin America and the Caribbean</p> <p><i>Significant Economic Presence: Implementation Experience and Revenue Collected</i></p> <ul style="list-style-type: none"> <li>● Oni Oluwole Olushola, Assistant Director, Tax Controller and inaugural member of the Non-resident Persons Tax Office, Nigeria</li> </ul>

	<ul style="list-style-type: none"> <li>• Andrea Prieto González, Adviser International Taxation, General Direction, National Tax Administration (DIAN), Colombia</li> </ul> <p><i>Article 12B of the UN Model Tax Convention</i> Kuldeep Sharma, Research Consultant – Tax, South Centre</p>
1740 – 1820	<b>Breakout Group Discussion</b>
1820 – 1830	<b>Concluding Remarks by Panelists and Chair Reflecting on Breakout Group Discussion</b>
1830 - 1840	<b>Signing of Memorandum of Understanding (MoU) between the West African Tax Administration Forum (WATAF) and the South Centre</b> to provide a framework for structured co-operation in the field of international taxation

## Day 2 (28 November 2023)

0930 – 1100	<p><b>Panel Discussion III: Bringing Universality and Stability to the International Tax System through a UN Tax Convention</b></p> <p><i>[The panel will focus on the challenges of governance in the OECD-led system such as the Inclusive Framework and the Global Forum on Exchange of Information. It will then explore how these problems can be solved through a UN Tax Convention as being considered in the UN General Assembly.]</i></p> <p><b>Introduction and Conclusion by Chair:</b> Gamal Ibrahim, Chief, Economic Governance and Public Finance Section, Macroeconomics and Governance Division, United Nations Economic Commission for Africa</p> <p>Representative from South Africa</p> <p>Emmanuel Igwe Eze, Senior Strategic Officer- ATAF-AUC Desk Coordinator, African Tax Administration Forum</p> <p>Abdul Muheet Chowdhary, Senior Programme Officer, South Centre</p> <p><i>Why We Call For A UN Tax Convention While Rejecting the OECD deal</i> Chennai Mukumba, Executive Director, Tax Justice Network Africa</p>
1100 – 1220	<b>Breakout Group Discussion</b>
1220 – 1230	<b>Concluding Remarks by Panelists Reflecting on Breakout Group Discussion</b>
1230 – 1330	<b>Lunch</b>
1330 – 1600	<p><b>Panel Discussion IV: UN Tax Convention – Structure, Function and Way Forward</b></p> <p><i>[The last panel will focus on the UN Secretary General's report which provides options for strengthening international tax cooperation. The three options are two legally binding Conventions and a non-binding framework. This session will assess from the standpoint of developing countries the pros and cons of each</i></p>

	<p><i>option in the UNSG report, whether there can be other options not contained in the report, which is the best for developing countries and how developing countries can coordinate their efforts in taking it forward.]</i></p> <p><b>Introduction and Conclusion by Chair:</b> Dr. Patrick Ndzana Olomo, Acting Head of Economic Policy and Sustainable Development Division, African Union Commission</p> <p>Iyabo Masha, Director, G-24</p> <p>Apoorv Tiwari, Under Secretary, Foreign Tax and Tax Research Division, Central Board of Direct Taxes, India</p> <p>Lorenzo Uribe, Ministry of Finance, Colombia, on behalf of pro tempore Chair of Platform for Taxation in Latin America and the Caribbean (PTLAC)</p> <p><i>What Next After the Vote on the UN Tax Convention in the UNGA Second Committee</i></p> <p>Dereje Alemayehu, Executive Director, Global Alliance for Tax Justice</p> <p><i>Launch of petition by Global Alliance for Tax Justice on OECD Two Pillar solution</i></p>
1600 – 1720	<b>Breakout Group Discussion</b>
1720 – 1740	<b>Concluding Remarks by Panelists Reflecting on Breakout Group Discussion</b>
1740 – 1800	<p><b>Way Forward and Closing Session</b></p> <ul style="list-style-type: none"> <li>• Dr. Dereje Alemayehu, Global Alliance for Tax Justice</li> <li>• Abdul Muheet Chowdhary, South Centre</li> </ul>