

EU Member States

- vote yes to the Terms of Reference for a UN Tax Convention!

26 November 2024

On Wednesday 27 November 2024, the United Nations General Assembly will hold a vote on the 2024 Resolution on “Promotion of inclusive and effective international tax cooperation at the United Nations”, which includes the adoption of the Terms of Reference (ToR) for a new UN Framework Convention on Tax.

The ToR was negotiated through an open and inclusive member state-led process, with all countries participating on an equal footing. The EU Member States have had a significant influence on the outcome, which is the result of a compromise and represents a crucial step forward for international tax cooperation. With its objective of establishing “an inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development”, the ToR is a historic breakthrough. While the commitments outlined are high-level, they cover the essential areas where urgent action is needed, such as equitable taxation of multinational corporations, effective taxation of high-net worth individuals, tax cooperation on environmental challenges and reinforced efforts to fight illicit financial flows, including international tax abuse by the world’s richest individuals and corporations.

The current international tax rules are not only outdated and deeply unfair, but also highly complex, contradictory, unclear, ineffective and littered with loopholes. As a result, countries in both the global north and south are losing hundreds of billions of Euros in lost tax income every year. That includes the EU which, according to the European Commission’s Annual Tax Report 2024, loses approximately €100 billion per year due to corporate tax avoidance alone. This ongoing bleeding of resources is undermining development and environmental protection worldwide, and at the same time, the lack of a coherent, effective and fair international tax system is causing severe tension, conflicts and uncertainty.

We understand that the EU has used the rules of the UN General Assembly, including the well-known rules about decision-making by majority voting, as an argument against supporting the ToR for the UN Tax Convention. But firstly, we note that “one country – one vote” is a very fair principle, which is as old as the UN itself and applies to many issues of which the EU has voted in favor. Secondly, we would like to underline a central problem of international tax cooperation, which is that an uncooperative minority is undermining the tax systems of the vast majority of countries. A global consensus on tax has never existed. While the UN General Assembly does not allow a veto right for every country to block the negotiation of a UN Tax Convention, the UN remains the only forum that allows all countries to participate on a truly equal footing. For this reason, the UN tax negotiations are unique and can never amount to duplication.

The EU and its Member States have repeatedly expressed a strong commitment to inclusive international tax cooperation, and called for countries to engage constructively in the UN tax negotiations. It is high time for the EU itself to prove that it is willing to walk the talk.

We, the undersigned organisations, urge all EU Member States to vote in favor of the resolution, including the adoption of the ToR for the UN Framework Convention on International Tax Cooperation.

Signatories:

11.11.11	Belgium
ACT Alliance EU	Belgium
Act Church of Sweden	Sweden
APIT	Portugal
Attac Austria	Austria
Attac Finland	Finland
Attac Germany	Germany
CNCD-11.11.11	Belgium
CRASH - Coalition for Research and Action for Social Justice and Human Dignity	Finland
Creatura Think & Do Tank	Finland
European Network on Debt and Development (Eurodad)	Europe
Felm	Finland
Finnish Development NGOs Fingo	Finland
Finnwatch	Finland
Global Call to Action Against Poverty (GCAP) Europe	Europe
Global Campaign for Education (GCE)	International
Global Campaign for Education the Netherlands	Netherlands
Global Policy Forum Europe	Europe
Global Redistribution Advocates	International
Irish Network for Education Worldwide	Ireland
La Coordinadora de Organizaciones para el Desarrollo	Spain
Liana ry	Finland
Liliane Fonds	Netherlands
National Society of Conservationists - Friends of the Earth Hungary	Europe, Hungary
Oxfam Denmark	Denmark
Oxfam EU office	Brussels
Oxfam Intermón	Spain
Oxfam Novib	Netherlands
Save the Children International	International
Tax Justice Network	UK
Vienna Institute for International Dialogue and Cooperation - VIDC	Austria
Wemos	Netherlands
WIDE - Network for Women's Rights and Feminist Perspectives in Development	Austria