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February 3, Article 6 - HNWI - Progressivity, inequalities, mechanism

Intervention by Nathalie Beghin, INESC

Thank you Mr President for giving us the floor.

I'm Nathalie Beghin, from Brazil, Inesc, and I'm talking on behalf of the Global Alliance for Tax Justice.

My statement is related to the current **Article 6**, **Taxation of High-Net-Worth Individuals.**

The establishment of a United Nations Tax Convention constitutes a critical opportunity to reform international tax cooperation in line with the principles of equity, universality, progressivity and sustainable development. To fulfil this mandate, the Convention must not only include the taxation of High-Net-Worth Individuals (HNWIs) but also explicitly create the conditions to establish a **global mechanism** for implementation, monitoring, and accountability. The persistent undertaxation of high-net-worth individuals is closely linked to the way international tax rules **allocate taxing rights** between jurisdictions. Current arrangements, largely based on residence and reinforced through bilateral tax treaties, tend to privilege capital mobility and legal residence over the location of real economic activity and wealth generation. As a result, countries—particularly in the Global South—often face structural limitations in taxing capital income, capital gains, and accumulated wealth derived from activities within their economies, contributing to revenue losses and exacerbating global and domestic inequalities.

Addressing the taxation of high-net-worth individuals therefore requires a **rebalancing of taxing rights toward source-based and substance-based principles, supported by multilateral cooperation**. Reforms to the allocation of taxing rights, including enhanced source taxation, effective taxation of offshore assets, and strengthened international information exchange, are essential to prevent double non-taxation and ensure that high-net-worth individuals contribute equitably to public revenues. Such reforms are integral to advancing fiscal equity, strengthening domestic resource mobilization, and supporting sustainable development objectives.

Normative commitments, however, are insufficient in the absence of effective implementation. The Convention must therefore establish a **dedicated global mechanism under UN auspices with a clear mandate to oversee implementation, promote compliance, and ensure accountability**.

Such a mechanism should include enhanced transparency measures, including progress toward a **global asset and wealth registry**; **comprehensive public automatic exchange of information covering beneficial ownership and wealth holdings**; and **minimum global standards for the taxation of wealth and capital income of HNWIs**.

In conclusion, the effective taxation of High-Net-Worth Individuals and the creation of a global implementation mechanism are foundational to the success of the United Nations Tax Convention. Their inclusion is essential to addressing global inequality, strengthening domestic resource mobilization, and advancing a fair, progressive, transparent, and inclusive system of international tax cooperation.