Third Session, UN Tax Convention Negotiations
November 12, 2025
Article 8- Harmful Tax Practices

Intervention by Grace Arina from Tax Justice Network Africa

Thank you Chair,

I speak on behalf of Tax Justice Network Africa and the African Civil Society Working Group on the UN Tax Convention.

Distinguished delegates, civil society maintains a unified and clear stance that the scope of Article 8.1 should be expanded to include all types of actors capable of engaging in international tax abuse. Including but not limited to governments that, under the influence of neoliberal policy prescriptions, provide excessively generous tax breaks to Multinational Enterprises (MNEs) to attract Foreign Direct Investments (FDIs), jurisdictions that promote financial secrecy, banks and financial intermediaries allowing wealthy individuals to move money across borders and employing weak anti-money laundering controls and professional enablers such as law and accounting firms. The funds lost through HTPs not only erode the tax base but also deplete resources necessary for public provisioning, such as investments in gender responsive public services and care systems

Furthermore, although Article 8.2 addresses tax incentives, it omits the issue of public transparency; therefore, its scope should be expanded to encompass all types of tax incentives and incorporate measures that ensure public transparency. For too long, due to the pressure of International Financial Institutions, Global South Countries have been granting low corporate tax rates and increasingly generous tax incentives to attract FDI leading to a race to the bottom and depriving our governments of the resources necessary for sustainable development and the realisation of the rights of marginalised groups- including women's rights.

Concerning Article 8.3(a) although the language hints at public country-by-country reporting (CBCR), it remains ambiguous. As previously advised by civil society under Article 6, a specific article should be added to explicitly mandate public CBCR. MNCs that rely on tax avoidance schemes have little incentive to publish disaggregated CbC data, as transparency would reveal distortions in their reporting and allow stakeholders to challenge the fairness of their tax practices. Hence, there is a need for mandatory CbCR. This would help tax authorities detect and challenge profit-shifting that undermines fiscal capacity. Additionally, it establishes accountability frameworks that support feminist economic analysis and advocacy and creates opportunities for CSOs, especially women's rights groups, to evaluate whether corporations operating domestically contribute fairly to public finances in relation to their economic activity.

Furthermore, while Article 8.3(b) presents measures against harmful tax practices, including the option of minimum taxes on multinational enterprises, the provision remains ambiguous. First and foremost, while the global minimum tax standards can be a tool for advancing gender equality by increasing public revenue, it must be substantive enough to be transformative. The current 15% rate is almost meaningless, too close to tax haven rates and fails to generate substantial revenue for gender-responsive public provisioning. An effective minimum tax rate should be established, along with the implementation of unitary taxation with formulary apportionment, as previously suggested under Article 4.

In conclusion, the convention ought to incorporate a comprehensive definition of Harmful Tax Practices, emphasizing the extraterritorial responsibilities and obligations of states, particularly when their policies and practices may impact the effectiveness and fairness of tax systems in other jurisdictions, especially because the current global tax rules favour global north countries to the detriment of global south countries. Moreover, the commitment of states to eliminate HTPs should not be confined to those conducted by MNEs, and a transparent process for the identification of such practices must be established by the Conference of Parties (COP). Thank you.