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Thank you Mister/Madam Chair. I speak on behalf of the Center for Economic and Social Rights and other civil society organisations present here.

On HNWI, we would like to raise three related challenges.

First, on the **scope of the commitment,** we note that while the issue note refers to "tax evasion and avoidance by high-net worth individuals", the ToRs *also* include a commitment to ensuring their effective taxation. Using the full ToRs wording going forward is essential given that, increasingly and in terms of challenges, research shows that high-net worth individuals often benefit from *far* lower tax rates than other groups, resulting in ineffectiveness and lack of progressively. It is also vital that when other relevant provisions of the Convention are drafted, they are sufficiently broad to encompass individuals and not only corporations, as discussed earlier.

We further believe that while the commitment can be written in broad, "crisp" terms, its text can be sufficiently actionable and self-executing for a future COP to advance in analysis, data production and standard setting. Commitments assumed by member states in the Compromiso de Sevilla and the G20 provide guiding examples of measures a COP could take, such as "exchanging best practices" or devising antiavoidance mechanisms on the challenges being discussed right now.

Second, **allocation of taxing rights** in connection with this commitment should pursue the overall objective of reducing inequalities within and between countries. This is key to addressing broader challenges such the climate crises and funding sustainable development and human rights.

For this purpose, the Committee could for example explore definitions of HNWIs that are absolute or relative, to better reflect the specific circumstances of both developed and developing countries; and consider the location of assets, the residence of taxpayers, and new, tailored rules to ensure *all* countries are able to effectively raise sufficient revenue from HNWIs.

The same limitations referred to in tax treaties for the taxation of payments between MNEs at source are applicable to the case of personal income or wealth taxation. Many tax treaties limit the possibility of extending tax residency or applying exit taxes to individuals, in a world in which there is a growing tendency for some jurisdictions to offer tax residency to HNWIs, with tax benefits in exchange for investment.

Wealth of HNWIs is globally created in the sense that it arises from private control over international assets and markets.

Globalization has opened new tax avoidance possibilities exploited by wealthy individuals around the world

HNWIs have de-localized their wealth, diversifying it into various assets located in different jurisdictions, underneath layers of shell companies, trusts and other opaque legal arrangements that disguise the actual or beneficial owners

Lastly, we'd like to stress the instrumentality of **tax transparency** for the actual delivery of this commitment, as a last challenge is that no country can tackle this problem alone. Effective taxation of HNWI will require global coordination to stall the race to the bottom and enhance existing mechanisms to ensure, that exchange of information covers more assets; work towards the creation of a global asset registry; increase public beneficial ownership information; and address other obstacles that countries have faced when trying to tax HNWIs in the past.

The newness of this agenda is not a barrier, but instead a reason to take further steps, given the future-looking nature of this process, and the scoping stage in negotiations. The incredible momentum that has developed in recent years around the agenda is a testament to its importance and its vital urgency.

I thank you again Mister/Madam Chair.