Session 1, UN Tax Convention Negotiations
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Thank you, Mr. Chair, distinguished delegates.

Taxation is always, at the national or international level, a pact. It requires cooperation either by citizens and their governments or even, as we are discussing here, between countries. Yet countries and citizens are not indifferent to how the benefits and the burdens of cooperation are going to be distributed.

A fair allocation of taxing rights is crucial to establish the legitimacy of this instrument we are discussing. And we should recognize that the unfairness of current rules is, as raised by many others, one of the drivers of this process. To understand the meaning of fairness, we need to read the convention as a whole and particularly to understand the commitments in clear relationship to the principles and objectives which are already included in the TORs.

In general, we consider that the principles and objectives provide an adequate guidance on how the concept of fairness should be understood, that it should further sustainable development and should contribute to the fulfillment of social, economic and cultural rights. To fulfill these objectives and to be aligned with these principles, it is also important to note that the limitations my colleague referred to tax treaties in relation to multinational enterprises in regards to taxation at source are also applicable in the case of personal income and wealth taxes. 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 for high-net-worth individuals with tax benefits in exchange for investment.

In addition, the bias of residency is all the more problematic in a context where the wealth and income of the millionaires and billionaires are not only domestic, but often has a cross-border nature. This is critical for the committee to consider as the commitment speaks about the allocation of taxing rights, including but not limited to the taxation of multinationals. Therefore, while there is a specific commitment on the topic, we want to know that the fair allocation of taxing rights should also provide a basis for a coordinated approach to the taxation of high net worth individuals. Such coordination is important to address global tax regressivity and enable countries to raise revenues effectively and to effectively tax this group. The compromise establishes a fair commitment for member states to promote progressivity and efficiency across fiscal systems. and to address inequality and increase revenue. The aim of reducing inequality within and between countries should be a key component of what fairness means.

This is a critical consideration both for this commitment as well as for addressing tax evasion and avoidance by high net worth individuals and ensuring their effective taxation in relevant member states. Moreover, we also call to unpack some of these commitments so that they can be actionable through the ABC of tax transparency. The fair allocation of taxing rights goes hand in hand with the need to better access data by authorities and also to have better mechanisms to exchange this information. This has clear implications for the taxation of multinational companies and high net worth individuals. We believe here that a global register of assets, as well as a common public database of country by country reports, is crucial to deliver this commitment.

Thank you very much, Mr. Chair.