



# General Assembly

Distr.: General  
7 December 2023

Original: English

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## Seventy-eighth session

Agenda item 16 (h)

### **Macroeconomic policy questions: promotion of inclusive and effective international cooperation on tax matters at the United Nations**

#### **Report of the Second Committee\***

*Rapporteur:* Mr. Ivaylo Gatev (Bulgaria)

#### **I. Introduction**

1. The Second Committee held a substantive debate on agenda item 16 (see [A/78/459](#), para. 2). An account of the Committee's consideration of the sub-item is contained in the relevant summary records.<sup>1</sup>

#### **II. Consideration of draft resolution [A/C.2/78/L.18/Rev.1](#) and the amendment contained in document [A/C.2/78/CRP.7](#)**

2. At the 25th meeting, on 22 November 2023, the representative of Nigeria, on behalf of the States Members of the United Nations that are members of the Group of African States, introduced a revised draft resolution entitled "Promotion of inclusive and effective international tax cooperation at the United Nations" ([A/C.2/78/L.18/Rev.1](#)).

3. At the same meeting, the Secretary announced that the Bahamas, Bolivia (Plurinational State of), Guyana, the Russian Federation, Thailand and Tonga had joined in sponsoring the draft resolution.

4. Also at the same meeting, the Committee was informed of the programme budget implications of draft resolution [A/C.2/78/L.18/Rev.1](#), contained in document [A/C.2/78/L.73](#).

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\* The report of the Committee on this item is being issued in nine parts, under the symbols [A/78/459](#), [A/78/459/Add.1](#), [A/78/459/Add.2](#), [A/78/459/Add.3](#), [A/78/459/Add.4](#), [A/78/459/Add.5](#), [A/78/459/Add.6](#), [A/78/459/Add.7](#) and [A/78/459/Add.8](#).

<sup>1</sup> See [A/C.2/78/SR.8](#), [A/C.2/78/SR.9](#), [A/C.2/78/SR.11](#) and [A/C.2/78/SR.25](#).



5. Also at the 25th meeting, the representative of the United Kingdom of Great Britain and Northern Ireland introduced an amendment to draft resolution [A/C.2/78/L.18/Rev.1](#), contained in document A/C.2/78/CRP.7.

6. Before action on the proposed amendment, the representatives of Nigeria (on behalf of the Group of African States), South Africa, the Russian Federation and the Plurinational State of Bolivia made statements in explanation of vote before the vote.

7. At the same meeting, the Committee rejected the amendment contained in [A/C.2/78/CRP.7](#) by a recorded vote of 107 to 55, with 16 abstentions. The voting was as follows:

*In favour:*

Albania, Andorra, Argentina, Armenia, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Costa Rica, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Monaco, Montenegro, Netherlands (Kingdom of the), New Zealand, North Macedonia, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, Ukraine, United Kingdom of Great Britain and Northern Ireland and United States of America.

*Against:*

Algeria, Angola, Antigua and Barbuda, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, China, Colombia, Comoros, Congo, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Democratic Republic of the Congo, Djibouti, Dominican Republic, Ecuador, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Philippines, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saudi Arabia, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, Sri Lanka, Sudan, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Uganda, United Republic of Tanzania, Uzbekistan, Vanuatu, Yemen, Zambia and Zimbabwe.

*Abstaining:*

Bhutan, Cambodia, Chile, El Salvador, Haiti, Honduras, Norway, Paraguay, Peru, Qatar, Saint Vincent and the Grenadines, Samoa, Suriname, United Arab Emirates, Uruguay and Viet Nam.

8. Also at the 25th meeting, statements in explanation of vote before the vote on draft resolution [A/C.2/78/L.18/Rev.1](#) were made by the representatives of Colombia, Indonesia and the United States of America.

9. At the 25th meeting, the Committee adopted draft resolution [A/C.2/78/L.18/Rev.1](#) by a recorded vote of 125 to 48, with 9 abstentions (see para. 12). The voting was as follows:

*In favour:*

Algeria, Angola, Antigua and Barbuda, Argentina, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Democratic Republic of the Congo, Djibouti, Dominican Republic, Ecuador, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Philippines, Qatar, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Solomon Islands, South Africa, South Sudan, Sri Lanka, Sudan, Suriname, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkmenistan, Uganda, United Republic of Tanzania, Uruguay, Uzbekistan, Vanuatu, Viet Nam, Yemen, Zambia and Zimbabwe.

*Against:*

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands (Kingdom of the), New Zealand, North Macedonia, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom of Great Britain and Northern Ireland and United States of America.

*Abstaining:*

Armenia, Costa Rica, El Salvador, Iceland, Mexico, Norway, Peru, Türkiye and United Arab Emirates.

10. At the same meeting, statements in explanation of vote after the vote were made by the representatives of Spain (on behalf of the European Union), Chile, Panama, the United Kingdom of Great Britain and Northern Ireland, Norway, Israel, Switzerland, Liechtenstein, New Zealand (on behalf of Australia, Canada and New Zealand), Japan, Singapore, the Republic of Korea and Türkiye.

11. Also at the same meeting, statements after adoption were made by the representatives of the Bahamas, Nigeria and Cameroon.

### III. Recommendation of the Second Committee

12. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

#### **Promotion of inclusive and effective international tax cooperation at the United Nations**

*The General Assembly,*

*Guided* by the purposes and principles enshrined in the Charter of the United Nations,

*Reiterating* the timeliness and importance of strengthening international tax cooperation to make it fully inclusive and more effective, both in procedural and substantive terms, so that Governments may better cooperate in generating financing for development, including through combating illicit financial flows, recovering and returning stolen assets, promoting financial integrity for sustainable development and improving public institutions,

*Noting* the corrosive effect that aggressive tax avoidance and tax evasion have on trust, the social compact, financial integrity, the rule of law and sustainable development, affecting the poorest and most vulnerable,

*Reaffirming* its resolution [69/313](#) of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, in which Member States committed to scaling up international tax cooperation, encouraged countries, in accordance with their national capacities and circumstances, to work together to strengthen transparency and adopt appropriate policies, including multinational enterprises reporting country-by-country to tax authorities where they operate, access to beneficial ownership information for competent authorities, and progressively advancing towards automatic exchange of tax information among tax authorities as appropriate, with assistance to developing countries, especially the least developed, as needed, and stressed that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the different needs and capacities of all countries, in particular countries in special situations,

*Recalling* its resolution [77/244](#) of 30 December 2022, in which it decided to begin intergovernmental discussions at United Nations Headquarters on ways to strengthen the inclusiveness and effectiveness of international tax cooperation through the evaluation of additional options, including the possibility of developing an international tax cooperation framework or instrument that is developed and agreed upon through a United Nations intergovernmental process, taking into full consideration existing international and multilateral arrangements,

*Acknowledging* that increasing the legitimacy, stability, resilience and fairness of international tax rules is in the common interest of all relevant stakeholders in tax systems and requires scaling up international tax cooperation by establishing the legal basis for fully inclusive and more effective international tax cooperation in terms of substance and process, giving due consideration to the value of coherent and consistent international tax rules while also respecting the tax sovereignty of each Member State,

*Recognizing* that respect for tax sovereignty implies international tax cooperation that allows all countries to effectively participate in developing the rules, by right and without preconditions, and adapt and implement them in accordance with their needs and preferences,

*Recognizing also* that inclusive and effective participation in international tax cooperation implies that procedures should take into account the different needs, priorities and capacities of all countries to meaningfully contribute to the norm-setting processes, without undue restrictions, and support them in doing so, including giving them an opportunity to participate in agenda-setting, debates and decision-making, either directly or through country groupings, according to their preference,

*Recognizing further* that inclusiveness in international tax cooperation also involves capacity-building and support to developing countries so that they can effectively participate in the full range of international tax cooperation in an equitable manner, while stressing that capacity-building efforts should fully take into account the needs and priorities of developing countries,

*Recognizing* that agenda-setting is an important procedural aspect because the way in which tax challenges requiring collective action are identified and framed often predetermines the scope and nature of the responses to these challenges, as well as the order of priority for dealing with them,

*Stressing* that a fully inclusive and effective international tax cooperation requires well-established and transparent decision-making structures, and clear and transparent rules, in order to ensure that all participants are on an equal footing procedurally and have the same ability to engage meaningfully in decision-making, as well as clear and cohesive multilateral rules to aid countries and businesses and to prevent opportunities for tax avoidance,

*Recognizing* that an inclusive and effective international tax cooperation system requires robust processes for preventing and resolving tax disputes in an effective manner, and keeping in mind that developing countries have limited resources to handle costly international dispute settlement processes,

*Recognizing also* the important role of taxation to close the sustainable development financing gap, which requires actions at all levels, international, regional and national, and on many fronts, including corporate tax, personal income tax, consumption taxes such as value-added taxes, strengthened and digitalized tax administrations and effective taxation of extractives,

*Emphasizing* that international tax rules must respond to the needs, priorities and capacities of all countries and appropriately address the ways in which modern markets operate and business is done, as part of a major overhaul of the international financial architecture,

*Emphasizing also* that a United Nations intergovernmental process for tax-norm shaping and rule-setting, with full consideration of existing multilateral and international arrangements, would leverage existing strengths and address gaps and weaknesses in current international tax cooperation efforts and arrangements,

*Noting* that its resolution [69/313](#) also commits Member States to working to improve the fairness, transparency, efficiency and effectiveness of their tax systems,

*Recognizing* the need for all countries to work together to eliminate tax evasion, tax base erosion and profit shifting and to ensure that all taxpayers, especially multinational companies and transnational corporations, pay taxes to the Governments of countries where economic activity occurs, value is created and from where revenues are generated, in accordance with national and international laws and policies,

*Noting* that the implementation of the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development may be further supported by additional domestic resource mobilization,

*Noting also* the work of the Committee of Experts on International Cooperation in Tax Matters and the 2023 special meeting of the Economic and Social Council on international cooperation in tax matters,

*Noting further* the work of the Organisation for Economic Co-operation and Development/Group of 20 Inclusive Framework on Base Erosion and Profit Shifting and the subsequent ongoing work on the two-pillar solution, noting that it facilitates collaboration for tackling tax avoidance and improving the coherence of international tax rules,

*Noting* the implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters under a common reporting standard developed by the Organisation for Economic Co-operation and Development, as well as the role of the Global Forum on Transparency and Exchange of Information for Tax Purposes,

*Noting also* the work of the Organisation for Economic Co-operation and Development on establishing value-added tax guidelines in the context of e-commerce and the bilateral and multilateral technical assistance programmes provided to countries in support of their implementation,

*Noting further* that expert assessments suggest that an increase in the tax-to-gross domestic product ratio could also be feasible for low-income developing countries and emerging market economies through a combination of tax system reform and institutional capacity-building,

*Recalling* the work of the Platform for Collaboration on Tax, which is to intensify collaboration and coordination on tax issues between the United Nations, the International Monetary Fund, the World Bank Group and the Organisation for Economic Co-operation and Development,

*Noting* the work and collaboration between the United Nations Development Programme and the Organisation for Economic Co-operation and Development in the joint Tax Inspectors Without Borders programmes, and stressing that similar efforts should be strengthened,

*Recognizing* the Group of 20 leaders' commitment to continue cooperation towards a globally fair, sustainable and modern international tax system appropriate to the needs of the twenty-first century during their summit held in New Delhi on 9 and 10 September 2023, and noting the accession of the African Union as a permanent member of the Group of 20 during the same summit,

*Noting* the work of the Addis Tax Initiative in fostering collective action to strengthen the capacities of developing countries for closing recognized gaps in development finance,

*Noting also* the work of the African Union, in collaboration with other pan-African institutions, in promoting international cooperation to fight illicit financial flows, including the decision by the Assembly of the African Union at its thirty-sixth ordinary session, held in Addis Ababa on 18 and 19 February 2023, to curb illicit financial flows that drain substantial financial resources from Africa that could otherwise be employed for economic and social development,

*Noting* the recent creation of the Regional Platform for Tax Cooperation in Latin America and the Caribbean with the purpose of contributing to the collective search for solutions to the key fiscal issues of developing countries and of achieving equitable tax policies that are conducive to growth, the reduction of inequalities and the financing of the Sustainable Development Goals,

*Recalling* the commitment of Member States under the Addis Ababa Action Agenda to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and

corruption through strengthened national regulation and increased international cooperation,

*Recommitting* to strengthening the capacities of revenue administrations, and calling upon the international community to scale up support for related technological, institutional and human capacity-building to countries and to explore digitalization as a tool to optimize the efficiency of tax systems,

*Taking note of* the report of the Secretary-General on the promotion of inclusive and effective international tax cooperation at the United Nations,<sup>1</sup>

1. *Emphasizes* that developing a United Nations framework convention on international tax cooperation is needed in order to strengthen international tax cooperation and make it fully inclusive and more effective;

2. *Recognizes* that developing a framework convention will also help in accelerating the implementation of the Addis Ababa Action Agenda on Financing for Development and the 2030 Agenda for Sustainable Development;

3. *Decides* to establish a Member State-led, open-ended ad hoc intergovernmental committee for the purpose of drafting terms of reference for a United Nations framework convention on international tax cooperation;

4. *Also decides* that the ad hoc intergovernmental committee shall convene in New York for up to 15 working days at a time, within available time frames, and with the contribution of international organizations and civil society, in accordance with established practice, and shall hold its organizational session as soon as possible with a view to finalizing the work of the committee by August 2024;

5. *Further decides* that the bureau of the ad hoc intergovernmental committee shall be made up of not more than 20 members, consisting of a chair, vice-chairs and a rapporteur, elected on the basis of balanced geographical representation and taking into account gender balance, with each of the five regional groups equally represented;

6. *Requests* the ad hoc intergovernmental committee, in elaborating the draft terms of reference for a framework convention:

(a) To take into account the needs, priorities and capacities of all countries, in particular developing countries;

(b) To take a holistic, sustainable development perspective that considers interactions with other important economic, social and environmental policy areas;

(c) To consider the need for sufficient flexibility and resilience in the international tax system to ensure equitable results as technology and business models and the international tax cooperation landscapes evolve;

(d) To take into consideration the work of other relevant forums, potential synergies and the existing tools, strengths, expertise and complementarities available in the multiple institutions involved in tax cooperation at the international, regional and local levels;

(e) To consider simultaneously developing early protocols, while elaborating the framework convention, on specific priority issues, such as measures against tax-related illicit financial flows and the taxation of income derived from the provision of cross-border services in an increasingly digitalized and globalized economy;

7. *Requests* the Secretary-General to allocate the necessary resources to support the work of the ad hoc intergovernmental committee;

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<sup>1</sup> A/78/235.

8. *Requests* the ad hoc intergovernmental committee to submit a report to the General Assembly at its seventy-ninth session, containing the draft terms of reference for a United Nations framework convention;

9. *Decides* to consider the report of the ad hoc intergovernmental committee at its seventy-ninth session and to include in the provisional agenda of its seventy-ninth session, under the item entitled “Macroeconomic policy questions”, the sub-item entitled “Promotion of inclusive and effective international cooperation on tax matters at the United Nations”.

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