

STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR MAHLATSE MMINELE, DEPUTY PERMANENT REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, CHAIR OF THE GROUP OF 77 CHINA, AT THE SPECIAL MEETING OF THE ECONOMIC AND SOCIAL COUNCIL (ECOSOC) ON INTERNATIONAL COOPERATION IN TAX MATTERS (New York, 22 April 2015)

Mr. President,

I have the honour to deliver this statement on behalf of the Group of 77 and China.

At the outset, the Group of 77 and China wishes to thank you for your efforts in convening this Special Meeting, as mandated by resolution 2013/24 of 24 July 2013. We also wish to thank the Secretariat for the documents prepared for this meeting.

The Group of 77 and China welcomes this opportunity to discuss international cooperation in tax matters, particularly the strengthening of institutional arrangements to promote international cooperation in tax matters. We maintain that while there is increasing recognition of the central role of tax systems in development, the fact remains that there is still no global, inclusive norm-setting body for international tax cooperation at the inter-governmental level. There is also not enough focus on the development dimension of these issues.

This has become increasingly evident as we head towards the Third Financing for Development Conference, in Addis Ababa in July, as well as the adoption of the post-2015 development agenda in September. In this context, the Secretary-General's report notes "[t]hat there has been unprecedented demand from both developing and developed countries for strengthening international cooperation in tax matters."

Mr. President,

The Group of 77 and China has repeatedly called for the upgrade of the Committee of Experts on International Cooperation in Tax Matters, transforming it from experts acting in their own capacity, to an inter-governmental subsidiary body of the Economic and Social Council (ECOSOC), with experts representing their respective governments. We believe that this would go a long way in not only strengthening international cooperation in tax matters, but it would allow all member States, including developing countries, to have an equal say on issues related to tax matters as well.

We must acknowledge, in this regard, that the role of the United Nations on international cooperation in tax matters is especially important, as it is the only true global forum with universal relevance and participation. Here, the Secretary-General's report notes that "[i]n its work, the Committee proposes solutions focused on needs and priorities of developing countries, which may, nevertheless, ultimately benefit all States Members of the United Nations. Focusing on simpler, even if not perfect, solutions to major issues of concern, as well as allowing for transitional solutions, is one way in which the Committee currently makes efforts to close the fundamental gap of representation. However, because of its non-governmental status and limited resources, the Committee cannot fully bridge the gap."

In addition to its major accomplishments, namely the update of the United Nations Model Convention and the completion of the United Nations Transfer Pricing Manual, the Committee has also done exemplary work in the area of capacity-building on international tax matters. As we are all aware, capacity-building is an area of critical importance to developing countries, especially in the context of emerging policies aimed at strengthening transparency, which increasingly place significant demands on the human, technical and other resources of developing countries.

Mr. President,

The Group also believes that the Committee should be further strengthened, with an emphasis on better integrating the Committee's work into the programme of work of the ECOSOC following its reform, and on enabling the Committee to effectively contribute to the financing for development and the post-2015 development agenda processes. Indeed, we anticipate that the outcome of the Third

Financing for Development Conference will include a commitment to upgrade the Committee to an inter-governmental body of the ECOSOC, and the Group will continue to work toward this end.

Finally, we urge all countries and institutions interested in providing financial assistance to the Committee's activities to make voluntary contributions to the trust fund. This extra-budgetary contribution is necessary to support the work of the Committee and its sub-Committees, as well as increase the participation of experts from developing countries.

Thank you!