



From Tax Competition to Tax Cooperation: An Alternative to the Race to the Bottom high-level public debate

Date: September 18, 2017 | Time: 18:30-20:30
@ Roger Smith hotel, 501 Lexington Ave, New York, NY

CONCEPT NOTE

Background

Fair taxation can help in fighting inequality, realizing human rights, and ensuring the implementation of the sustainable development goals (SDGs). However, a succession of reports on the scale of tax dodging by multinational corporations has cast the spotlight on the need for reform of the international tax system.

Resource mobilization is fundamental to any progress we will achieve towards the implementation of the 2030 Agenda for Sustainable Development and the eradication of poverty in all its dimensions. Among many challenges, countries must reduce excessive fiscal incentives in order to prevent tax competition from causing a large reduction of available resources, and tackle the use of tax havens.

Tax havens are the ultimate expression of the global corporate tax race to the bottom, and they have largely increased over the years. The United Nations estimates that financing needed for basic infrastructure investment in developing economies is between USD 1 to 1.5 trillion annually. According to Zucman, this represents approximately 15% of off-shored undeclared financial holdings. According to a report by Kar and Spanjers, developing economies are estimated to have lost about US\$7.8 trillion in illicit financial flows (IFFs) during 2004-2013 (US\$1.09 trillion in 2013 alone).

Retaining and taxing these resources could contribute to reduce income inequality, strengthen human rights, and boost the implementation of the SDGs. Therefore, it is vital to improve and reform the taxation system and this will require strengthening cooperation at the global, regional and sub-regional levels. In 2015, the OECD/G20 launched its Base Erosion and Profit Shifting (BEPS) project, aimed at ensuring that multinational corporations are taxed 'where economic activities take place and where the value is created.' Meanwhile, efforts to reduce international tax evasion have been bolstered by measures to increase cooperation among tax authorities, including through the automatic sharing of financial information.

This event will focus on discussing the next steps towards strengthening international cooperation in tax matters, with participants being invited to reflect, inter alia, on:

- Should nation states compete or cooperate?
- Is the current international tax framework fit for the current global challenges?
- How can we strengthen the international tax framework in order to make it more just and inclusive?
- How to prevent the “race to the bottom” and strengthen tax cooperation;
- The UN’s role in fostering international cooperation in tax matters, including the possibility of establishing an intergovernmental commission on international cooperation in tax matters.

Objectives

1. To renew the debate in the United Nations on the fight against corporate tax avoidance and evasion in favor of international tax justice.
2. To contribute to the debate by governments, civil society and academia on the current global tax competition and race to the bottom challenges and to promote an exchange of experiences and concrete practices.
3. To bring together the elements necessary for building a global agenda for a global consensus against the race to the bottom and harmful tax competition.

Programme

18:30-20:30, Monday, 18 September 2017, Roger Smith hotel, 501 Lexington Ave, New York, NY (Open to the Public)

18:30-19:00	<p>Welcome & opening address</p> <p>Luise Rürup, Executive Director, FES New York José Antonio Ocampo, ICRICT Chair</p>
19:00-20:30	<p>Panel Discussion</p> <p>Moderator: José Antonio Ocampo, ICRICT Chair, Professor of International and Public Affairs, Columbia University</p> <p>Panelists:</p> <p>1 María Fernanda Espinosa, Minister of Foreign Affairs and Human Mobility of Ecuador 2 Modest Mero, Ambassador and Permanent Representative of Tanzania to the United Nations 3 Representative from Indian Delegation to the United Nations (TBC) 4 Eva Joly, ICRICT Commissioner, Member of the European Parliament 5 Edmund Fitzgerald, ICRICT Commissioner, Professor of International Development Finance, Oxford University</p> <p>Q & A</p>
20:30	<p>Reception</p>