



LEADING GROUP ON SOLIDARITY LEVIES TO FUND DEVELOPMENT

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COMBATTING TAX HAVENS AND CAPITAL FLIGHT

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tax justice network

It is both a great pleasure and an honour to be here in Seoul today, and I would like to thank the organisers for their hospitality and for devoting time within the Summit agenda for discussion of the important issues of combating tax havens and capital flight. These issues have become increasingly prominent in the past few years, and the time has come for urgent measures to be taken to tackle these blights on the world's poorer countries.

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The International Conference on Financing for Development (Monterrey Mexico, March 2002) called on developing countries to mobilize domestic resources for development, which includes the need for *“equitable and efficient tax systems and administration.”* The Consensus also addressed the systemic problems of capital flight and tax evasion and encouraged measures to *“strengthen international cooperation through enhanced dialogue among national tax authorities and greater coordination of the work of the concerned multilateral bodies.”*²

This commitment to support efforts to strengthen international cooperation led directly to the decision of the UN General Assembly in December 2003 to create a Committee of Experts on International Cooperation in Tax Matters (the UN Tax Committee), which meets annually in Geneva.

The importance of supporting efforts to mobilise domestic financial resources for development was subsequently reaffirmed by:

- § the special high-level meeting of the Economic and Social Council (ECOSOC) with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Developments (New York, April 18, 2005);
- § the High-Level Dialogue on Financing for Development in New York, June 2005;
- § and the UN General Assembly at the World Summit in 2005, which included in its final communiqué a resolution to *“support efforts to reduce capital flight and measures to curb the illicit transfer of funds.”*

² UN Monterrey Consensus on Financing for Development: final text and commitments adopted at Monterrey, Mexico, 18-22 March 2002

Next year the world's leaders will be travelling to Doha to review progress towards the achievement of the development goals agreed at Monterrey. The Tax Justice Network would like to see the Doha Summit used as an opportunity to establish a clear programme for tackling tax havens and capital flight. We would also like to see a clear identification of the responsibilities of key agencies, including the Bretton Woods institutions and the United Nation's Tax Committee.

The Tax Justice Network would like to see the Leading Group take on a major role in creating this programme for action, and the Tax Justice Network will be happy to act in an advisory capacity.

It is important that we clarify why concerns about tax havens and capital flight are such an important part of the development agenda. There is nothing new about our concerns, they were being discussed at the League of Nations in the 1920s, but the scale of the problem has risen dramatically and has reached crisis level.

In March 2005 the Tax Justice Network published a briefing paper which estimated the stock of private wealth held in tax havens by individuals, and largely undeclared in the country of residence, at about US\$11.5 trillion.³ The annual worldwide income on these undeclared assets is estimated at about US\$860 billion, and the annual worldwide tax revenue lost on such undeclared income is about US\$255 billion.

That figure approximates the annual funds needed to finance the UN's Millennium Development Goals relating to poverty alleviation.

³ http://www.taxjustice.net/cms/upload/pdf/Price_of_Offshore.pdf

Whilst the majority of this \$11.5 trillion of undeclared assets originates from developed countries, a significant proportion comes from developing countries, with Africa amongst the most badly affected regions. Estimates of capital flight from Africa vary considerably, but according to the African Union US\$148 billion leaves the continent every year because of corruption.⁴ Most analysts agree that the outflows of illicit money originating from developing countries tend to be permanent, and in the case of some countries, particularly in Africa, the gross sum of flight capital eclipses the value of aid and debt relief promised at the 2005 G-8 summit at Gleneagles by a ratio of approximately three to one. The scale of capital flight leaves us in no doubt that aid and development programmes will fail hopelessly unless they are accompanied by comprehensive measures to close the floodgates through which Africa's capital flows north.

But the problems caused by tax havens are not exclusively related to capital flight. My own experience of working in the tax haven of Jersey, a British tax haven, suggests that these places are used for a wide range of corrupt activities, including:

- ✓ Insider trading
- ✓ Market rigging
- ✓ Avoiding disclosure of conflicts of interest
- ✓ Hiding or disguising illicit arms trading
- ✓ Hiding or disguising illicit political donations
- ✓ Hiding or disguising contract kickbacks and bribery
- ✓ And of course tax evasion, which occurs on a massive scale.

⁴ See UK Africa All Party Parliamentary Group (2006) *The Other Side of the Coin: the UK and Corruption in Africa* (p14)

What working in Jersey taught me is that the key to tackling tax havens lies with removing the opportunities for individuals and companies to use secretive offshore arrangements, including shell companies, offshore trusts, offshore foundations, bearer shares, and other devices. These secretive arrangements allow illicit financial flows to be hidden or disguised, and enable people to hide their identity behind nominee directors and shareholders. If we strip away these facilities and create a global financial system based on market transparency, the ability of tax havens to support corruption would be greatly reduced. It is for this reason that our recommendations tend to focus on strengthening global market transparency.

Tax havens and capital flight undermine development in a number of ways.

Firstly, there is the direct loss of both capital for investment in the country of origin. This slows growth, cuts employment creation, and replaces enterprise with criminality and corruption.

Secondly, following on from this, tax evasion reduces the revenue available for investment in public services, making a country less attractive to investors and causing a vicious spiral of decline in investment in education, training, and research and development.

Thirdly, tax evasion forces governments to switch the tax burden onto middle and lower income earners, lowering the cost of capital relative to labour; reducing job creation; widening inequality; and increasing consumption of imported luxury goods and services.

Fourthly, the ability of some companies to use tax havens creates market distortions and discourages corporate economic responsibility.

These economic distortions might to a considerable extent explain why the theoretical benefits that economists expected would arise from the globalisation of financial markets have so far failed to materialise. In practice, tax havens have wrecked the potential for improvement that trade and capital market liberalisation might have yielded, and they have significantly contributed to a widening of the gap between rich and poor countries, and to rich and poor people within countries. We live in an era of unprecedented inequality in which a small elite of mega-rich people can choose whether or not to pay taxes, and powerful companies can reduce their tax contributions not to zero, but to less than zero as a result of their ability to negotiate subsidies from governments around the world.

But the damage done by tax havens and capital flight extends beyond the purely economic. Encouraged and facilitated by tax havens, corruption threatens the viability of weak states and has a negative impact on democratic processes. Good governance is undermined by regulatory and tax competition, and ethical practitioners of corporate responsibility place their companies at a disadvantage by not engaging in the tax evasion practices of their competitors.

The idea that rich and powerful elites can 'game the system' using tax havens undermines public confidence in the rule of law, and corrupts the integrity of the rules, systems and institutions which shape society. This corruption is so deeply embedded in the modern world that the majority of people take it as a fact of life. Small wonder then that so many people have become cynical and pessimistic about the current world order.

It goes without saying that the use of tax havens also makes tax administration very much more expensive, to the extent that many developing countries lack the capacity to tackle the elaborate tax planning strategies of major corporations. This adds to the un-level playing field that exists between these corporations and their smaller, nationally based competitors.

The Tax Justice Network takes a positive view on what can and must be done to tackle tax havens and capital flight. By coincidence, I was asked to attend an experts meeting taking place in Rome this week. To be honest, the opportunity to attend this Plenary in Seoul was of far greater interest to me, but a colleague has gone to Rome on my behalf, and I have included the list of proposals we have submitted to that experts meeting as an appendix to this speech. Many of these proposals could be implemented without delay. We hope that our proposals will help to re-shape the agenda of the UN's Tax Committee, shifting its focus to the broader issues relating to tax havens and capital flight. We also hope that our proposals will assist the work of the Leading Group's task force on tax havens and capital flight, providing the basis of an agenda around which political will can coalesce.

We see a number of ways forward in the struggle to curb capital flight. Effective information exchange between national authorities is high on our list of proposals, and we would like to see priority being given to what measures can be introduced to strengthen existing information exchange processes and create a truly effective means for international cooperation.

We would also like to mobilise financial intermediaries in the struggle against capital flight and tax evasion. Too many bankers, lawyers and accountants currently take the role of the wilfully blind professional in

either supporting or turning a blind eye to these activities. We propose that financial intermediaries should be required to include tax evasion in their suspicious activity reporting procedures.

A large proportion of capital flight and tax evasion involves trade mispricing. An effective way of tackling this problem lies with requiring companies to report on their activities on a country-by-country basis. This would greatly increase accounting transparency and reduce the opportunity for transfer mispricing between different parts of a multinational company.

Another effective way of tackling capital flight would be to introduce banking secrecy override clauses into information exchange agreements. The OECD has already included such a clause in its Model Agreement, and we propose that this becomes the norm for all such agreements.

We also propose that the International Monetary Fund take a more active role in tackling capital flight, for example by enhancing its Reviews of Standards and Codes (ROSCs) procedures to include reporting on jurisdictions which fail to implement and support measures to tackle capital flight.

Turning to the struggle against tax havens, an important starting point is to help the general public to understand the gravity of this problem, and the importance of re-establishing the ability of nation states to tax rich people and powerful corporations. We therefore propose that tax evasion is defined as a predicate crime for anti money laundering purposes and, furthermore, we propose that the activities of tax havens are factored into global anti corruption measures, leading to a wholesale reappraisal of what constitutes corruption, who promotes it, and how it can best be tackled. With this in mind, the Tax Justice Network is currently

developing a new global index of corruption, which we call a Financial Transparency Index, which will highlight those tax haven jurisdictions which are most prominent in supporting illicit financial transactions.

We also propose that in a world of global financial markets there is no reason for allowing individuals to hide their identities behind nominee directors and shareholders. We therefore suggest a requirement for full public disclosure of beneficial ownership of companies and trusts, with minimal standards for annual reporting.

To add a bit of muscle to the process, we would like to see international sanctions introduced against tax havens which fail to cooperate in the struggle against capital flight and tax evasion. We would also propose that political and civil society pressure is exerted on the professional associations of bankers, lawyers, accountants and other financial intermediaries who profit from the activities of tax havens. It is depressing to note that not a single professional association, anywhere in the world, has issued a code of conduct for their members relating to the use of tax havens. This reflects a generally anti social culture which permeates the higher levels of these associations. I witnessed this arrogant culture when I was working in London in the late 1990s and was frequently told that Enron was the model company of the future. The recent turmoil in the derivatives markets, many of which are based in tax havens, suggest that there are a host more Enron-type problems that have built up since that company collapsed.

Tax havens and capital flight are not a fact of life. They flourish because they have been allowed to operate in a haphazard system which has evolved over the past century. Many commentators talk about the global financial architecture, but in practice there never was a clear blueprint for the global financial system, and few commentators have ever paid



attention to the role of tax havens and offshore financial centres in bypassing the regulatory systems that have emerged in response to issues such as drugs money laundering, terrorist financing, and financial instability.

The issues of tax havens and capital flight have been causing concern for many decades. The damage they cause has worsened significantly in the past quarter century as a result of capital account liberalisation. Sadly, however, the political will to tackle them in a comprehensive manner has been lacking. The Tax Justice Network wants to work towards creating the political climate for tackling these problems. We have the expertise within our ranks to propose a wide range of policy prescriptions targeted at the underlying problems. We consider tax havens, capital flight and tax evasion as defining crisis of these times, and are reminded of Edmund Burke's comment that "all that is necessary for the triumph of evil is that good men do nothing." We hope to enjoy the privilege of cooperating with the Leading Group task force in what amounts to a crusade to stem tax havens and all the evils that flow from them.

Thank you.

THE ROLE OF TJN: The Tax Justice Network is interested in working with members of the Leading Group towards our common goal of tackling tax havens, capital flight and tax evasion. TJN believes that it can provide or introduce expertise to assist achievement of these objectives.

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Appendix 1: PROPOSALS BY THE TAX JUSTICE NETWORK TO THE MEETING OF THE GROUP OF EXPERTS IN ROME

September 4-5 2007

Tax Aspects of Domestic Resource Mobilization: A Discussion of Enduring and Emerging Issues

The United Nations in the Monterrey Consensus has challenged developing countries to mobilize domestic resources. This was confirmed by the UN's General Assembly in the 2005 World Summit.

But if developing countries are to mobilize domestic resources, it is necessary to confront the problem of capital flight from developing countries, and the resulting tax evasion in developing countries. The UN's General Assembly in the 2005 World Summit, in the section on Domestic Resource Mobilization, resolved to "support efforts to reduce capital flight and measures to curb the illicit transfer of funds."

In order to assist those efforts, the Tax Justice Network has the following recommendations:

(1) Code of Conduct on Cooperation in Combating Capital Flight and International Tax Evasion and Avoidance

The Tax Justice Network ("TJN") recommends that the UN Tax Committee request that ECOSOC approve the resolution concerning the development of a Code of Conduct on Cooperation in Combating Capital Flight and International Tax Evasion and Avoidance, presented by Professor Michael McIntyre to the UN Committee of Experts on International Cooperation in Tax Matters ("UN Tax Committee"). A copy of a proposal for such a draft code of conduct is attached hereto as Annex A. TJN believes that such a Code of Conduct would be a step forward in helping developing countries mobilize domestic resources, as emphasized by the United Nations.

(2) Effective Exchange of Information: What constitutes "Effective Exchange of Information?"

TJN recommends that the UN Tax Committee prepare a report about what constitutes "effective exchange of information" for purposes of Article 26 of the UN Model Double Taxation Convention between Developed and Developing Countries ("UN Model Income Tax Treaty"). The UN Tax Committee should report on what information a jurisdiction should routinely obtain and have available, in order to be able to comply with its obligations to exchange information pursuant to Article 26 of the UN Model Income Tax Treaty and other income tax treaties. This should include information about (a) cross border payments (including names of the actual beneficiaries of such payments) and (b) beneficial ownership of companies, trusts, institutions and other entities, including the identity of those with powers to dispose of the assets, and the beneficiaries of such entities. Obtaining such

information would also be in accordance with Recommendation 33 of the Financial Action Task Force (FATF). TJN is concerned that the tax authorities in many jurisdictions do not routinely obtain domestically the appropriate information (resulting in de facto bank secrecy), and therefore those jurisdictions are not financially transparent. Consequently, those jurisdictions can not engage in "effective exchange of information". The OECD has emphasized that in order to combat tax evasion and tax avoidance, exchange of information should be "effective".

(3) Role of International Financial Institutions in Capital Flight and Tax Evasion: Monitoring and Surveillance Responsibilities

TJN recommends that the UN Tax Committee request that the International Monetary Fund (IMF), in fulfilling its responsibilities of the monitoring and surveillance of financial centers and the international financial architecture, include in its Reports on Observance of Standards and Codes (ROSCs) whether a jurisdiction that is a financial center complies with standards of international financial transparency. This should include (a) whether the jurisdiction (i) overrides bank secrecy and other confidentiality laws in tax matters, and (ii) requires the automatic reporting domestically of tax related information by payers of income to foreign payees and therefore such jurisdiction has tax related information available to be exchanged with other jurisdictions, and (b) whether the jurisdiction in practice does engage in effective exchange of information with other jurisdictions.

(4) Capital Flight and Tax Evasion as Corruption

TJN recommends that the UN Tax Committee consider whether capital flight and the resulting tax evasion should constitute acts of corruption within the scope of the United Nations Convention Against Corruption, as follows

- (a) Private sector corruption by the person (individual or company) that transfers funds to another jurisdiction and evades taxes. That person is illegally diverting for his/her/its private use, funds (tax revenue), that belong to the public sector.
- (b) Private sector corruption by financial intermediaries that knowingly encourage or facilitate capital flight and the resulting tax evasion in other jurisdictions, because they are enabling the illegal diversion for private use of funds (tax revenue), that belong to the public sector .
- (c) Public sector corruption by the governments in the onshore and offshore financial centers that provide de jure bank secrecy or de facto bank secrecy and other confidential treatment of financial transactions without providing effective exchange of information in tax matters. Such treatment facilitates and encourages capital flight from other jurisdictions, and tax evasion in those other jurisdictions. Thus, governments in such financial centers knowingly aid and abet corruption by enabling the illegal diversion for private use of funds (tax revenue), that belong to the public sector.

(5) The Uniform Framework For Preventing and Combating Fraud and Corruption Elaborated by the International Financial Institutions

TJN recommends that the UN Tax Committee urge the international financial institutions (African Development Bank, Asian Development Bank, Inter-American Development Bank, European Investment Bank, European Bank for Reconstruction and Development, the International Monetary Fund and the World Bank) to expand the definition of corruption in that Uniform Framework to include the following: (a) private sector corruption by the persons as described in paragraph (4)(a) above; (b) private sector corruption by financial intermediaries described in paragraph (4)(b), above; and (c) public sector corruption by governments in financial centers, as described in paragraph (4)(c), above.

(6) Capital Flight and Tax Evasion as Money Laundering, and as a Suspicious Activity

TJN recommends that the UN Tax Committee consider whether money laundering laws should include as an offense, the cross border transfer of assets from the jurisdiction of a person's residence or citizenship, without those assets and/or the income thereon being declared for tax purposes in the jurisdiction of residence/citizenship. Also, TJN recommends that the UN Tax Committee suggest that the evasion and/or avoidance of domestic and/or foreign taxes be considered a suspicious activity that would be covered by suspicious activity reporting requirements.

(7) Tax Evasion/Tax Avoidance as Corruption and Money Laundering for Purposes of the Financial Action Task Force (FATF)

TJN recommends that the UN Tax Committee urge the Financial Action Task Force (FATF) to include tax evasion and tax avoidance (both domestic and foreign) in the FATF definition of Designated Categories of Offences.

(8) Capital Flight and Repatriation of Assets

TJN recommends that the UN Tax Committee prepare a report on the legal measures reasonable and necessary for jurisdictions to recover and repatriate assets, and the income thereon, which have been illegally transferred from that jurisdiction to other jurisdictions, and accumulated in other jurisdictions, including (but not limited to) OECD financial centers and non-OECD financial centers. These could include provisions pursuant to Chapter V, Asset Recovery, of the United Nations Convention Against Corruption and Article 27 of the UN Model Income Tax Treaty. TJN also suggests that the UN Tax Committee consider and evaluate a range of measures, including but not limited to those which have been used by some countries such as tax amnesties, to encourage and facilitate repatriation of such assets.

(9) Issues in International Tax Collection and Tax Enforcement

TJN recommends that the UN Tax Committee study how Article 27 of the UN Model Income Tax Treaty, Assistance in the Collection of Taxes, could be further developed or supplemented by other measures which would be appropriate and reasonable in order to strengthen procedures for international tax collection and international tax enforcement.

(10) The March 13, 2002 Joint Proposal by the Staffs of the IMF, OECD and World Bank: Developing the International Dialogue on Taxation ("Joint Proposal")

In the Joint Proposal the IMF, OECD and World Bank committed to assist developing countries in *"strengthening of national tax systems, which in turn will assist the mobilization of tax revenues for development highlighted in the documents for the UN Financing for Development Conference"*.

The Joint Proposal states in relevant part that:

"While the current international tax scene is rich in initiatives and programs, it lacks:

- *Clear and transparent mechanisms for the co-ordination of these programs; and*
- *A real input from developing countries in the way programs are constructed and international tax issues debated."*

TJN recommends that the UN Tax Committee present to the IMF, OECD and World Bank specific proposals, such as and including those specified in this memorandum, for those institutions (including the Committee on Fiscal Affairs of the OECD and the Fiscal Affairs Department of the IMF) to assist developing countries to mobilize domestic resources by (a) strengthening the national tax systems of developing countries, including by assisting them to better confront the loss of government tax revenues resulting from capital flight to OECD financial centers and non-OECD financial centers and the consequential tax evasion in developing countries, and (b) working with all financial centers in order that those financial centers discontinue facilitating capital flight from developing countries and the resulting tax evasion in developing countries

(11) Transfer Mispricing

TJN recommends that the UN Tax Committee prepare a report on (a) the economic impact (the quantification) of transfer mispricing, in particular the economic impact (loss of tax revenues) on developing countries of transfer mispricing, and (b) the most appropriate measures to combat transfer mispricing.

TJN recommends that the UN Tax Committee prepare a report evaluating the effectiveness in practice of the so-called arm's - length method and comparing it with methods based on combined reporting with formulary apportionment as the most appropriate approach to combat transfer mispricing. . This could take account of the extensive technical work done by the European Commission on the possible use of a Common Consolidated Corporate Tax Base of combined reporting with formulary apportionment within the European Union, as well as the experience of combined reporting with formulary apportionment within federal states such as the United States of America, and the experience of methods used in practice for resolving problems of Corresponding Adjustment between Competent Authorities or Arbitrations under tax treaties.

TJN recommends that the UN Tax Committee liaise with the International Accounting Standards Board (IASB) with regard to the disclosure by multinational corporations of tax and other payments in order to enhance transparency in corporate reporting, by requiring each

multinational corporation to adopt on its financial statements (a) country-by-country reporting of tax and other payments to the government in each country in which it does business, and (b) disclosure of basic information about the business done by that multinational corporation in such country.

(12) Tax Competition

TJN recommends that the UN Tax Committee consider the harmful aspects of tax competition: the depletion of government tax revenues and the reduction of basic government services including health, education and other basic government services. The 1998 report by the Organization for Economic Cooperation and Development ("OECD") entitled "Harmful Tax Competition: An Emerging Global Issue," raised the issue of harmful tax competition. TJN recommends that the UN Tax Committee be asked to determine whether tax competition involving developing countries is undermining their ability to mobilize domestic resources for development and to create the "enabling domestic environment" called for in the Monterrey Consensus.

(13) The Role of Intermediaries in Tax Compliance in the International Context, and The OECD Intermediaries Project

TJN recommends that the UN Tax Committee study the role of "intermediaries" tax compliance in the international context.

TJN Recommends that the UN Tax Committee include in the definition of "intermediaries," and that the UN Tax Committee suggest to the OECD that the OECD Intermediaries Project include in its definition of "intermediaries", all of the following: attorneys, accountants, and other tax advisers ("Tax Advisers"), corporate service providers, promoters, corporate administrators, and trust administrators ("Service Providers"), and financial intermediaries such as banks, trust companies, brokerage firms and other financial institutions ("Financial Intermediaries").

TJN recommends that the UN Tax Committee include on its agenda, and that the UN Tax Committee suggest to the OECD Intermediaries Project that it include on its agenda, a proposal that would require Tax Advisers, Service Providers, and Financial Intermediaries:

- (i) not to provide any services to persons (companies, trusts and other entities and individuals), knowing or having any reasonable cause to believe that such services would assist such person to violate the tax laws of any country, domestic or foreign.
- (ii) if the transaction is for a foreign client, to obtain from the client a written confirmation that the client is complying with all applicable foreign tax laws, and their consent that this declaration may be sent to the tax authorities in question.
- (iii) if the transaction is for a domestic client but the matter has a foreign tax element, to obtain from the client a written confirmation that the client is complying with all applicable foreign laws.

TJN also recommends that the UN Tax Committee submit these proposals to private sector professional groups, such as the International Fiscal Association, the International Bar Association and other relevant professional groups, and especially those in countries with specific influence on or interest in this issue.

(14) The Tax Aspects of Misuse of Corporate Vehicles

TJN recommends that the UN Tax Committee prepare a report on the tax aspects of the misuse of corporate vehicles, including

- (a) “shell companies,” such as companies organized in a jurisdiction but which have a special status, e.g. they are not permitted by the laws of that jurisdiction to do business in that jurisdiction, and whether the corporate identity of such corporations be recognized: the study should examine various techniques for challenging such grants of corporate status (See for example the reasoning of the International Court of Justice in its *Nottebohm* decision, in the case of citizenship of individuals); and
- (b) fiscally transparent entities (in the context of the definition of “residence” for purposes of income tax treaties, and also the use of fiscally transparent entities in non-treaty situations).

(15) Liaison with OECD on Technical Aspects of Exchange of Information

TJN recommends that the UN Tax Committee liaise with the OECD’s Fiscal Committee about the technical work being done by the OECD on the mechanics of exchange of information, including the OECD’s Manual on the Implementation of Exchange of Information Provisions for Tax Purposes, approved by the OECD Committee on Fiscal Affairs on January 23, 2006, including but not limited to automatic exchange of information.

(16) Assistance to the Governments of Jurisdictions Dependent on the Offshore Sector

TJN recommends that the UN Tax Committee consider measures for jurisdictions which are substantially reliant economically on the “offshore sector” to diversify their economies and become less reliant economically on the offshore sector. In order to replace lost government revenues such as from license fees previously collected by such governments, TJN recommends that the UN Tax Committee consider whether such measures might include the possible allocation to such governments of some tax revenues resulting from the taxation of income previously untaxed on assets invested in OECD financial centers and non-OECD financial centers.

(17) Tax Administration Issues

TJN recommends that the UN Tax Committee work with international entities and organizations specialized in tax administration, including the Committee of International Organizations on Tax Administration (CIOTA), in order to implement the relevant recommendations in this memorandum.

(18) Creation of a Subcommittee of the UN Tax Committee, and An Annual Report by the UN Tax Committee to ECOSOC about the Work of the UN Tax Committee to Reduce



Capital Flight and the Resulting Tax Evasion, and to Assist Developing Countries to Mobilize Domestic Resources

TJN recommends (a) that the UN Tax Committee create a subcommittee to coordinate the work of the UN Tax Committee, in accordance with paragraph (24) of the 2005 UN World Summit, in supporting efforts to reduce capital flight and the resulting tax evasion and to help developing countries mobilize domestic resources, and (b) that the UN Tax Committee submit to ECOSOC annually a report detailing specifically the work of the UN Tax Committee to support efforts to reduce capital flight and the resulting tax evasion, and to help developing countries mobilize domestic resources.