

Suggested Draft Resolution from ECOSOC to Expert Committee

The Economic and Social Council of the United Nations,

Reiterating its concern about the growing problems of capital flight and international tax evasion and avoidance,

Recognizing that these problems have become of increasing importance to developing countries and are undermining their ability to mobilize domestic resources for development and to create the “enabling domestic environment” called for in the Monterrey Consensus,

Concerned that countries that have demonstrated their willingness to enter into cooperative arrangements for combating capital flight and international tax evasion and avoidance will be put at a competitive disadvantage with financial centers that are uncooperative,

Recalling that the General Assembly of the United Nations in its Resolution 60/1 on World Summit Outcome (24 October 2005) has resolved “to support efforts to reduce capital flight and measures to curb the illicit transfer of funds,”

Understanding that the Committee of Experts on International Cooperation in Tax Matters has discussed, at its meeting in Geneva of December 2005, the possibility of formulating a Code of Conduct that would set minimum standards the countries should meet with respect to cooperation on measures to combat capital flight and international tax evasion and avoidance,

Believing that such a Code of Conduct could serve as a useful tool in encouraging international cooperation on combating capital flight and tax evasion and avoidance:

1. *Encourages* the Committee of Experts on International Cooperation in Tax Matters to consider the development of a Code of Conduct on Cooperation in Combating Capital Flight and International Tax Evasion and Avoidance.
2. *Welcomes* the advice of the Expert Committee on the role that this council might serve in advancing the acceptance of such a Code of Conduct.
3. *Requests* that the Expert Committee provide to this council a report that summarizes the steps the Expert Group contemplates taking in preparing such a Code of Conduct.

Prepared by Michael J. McIntyre, 2 July 2006.