

RES-2010-33: Australia's response to the Secretary-General's report pursuant to Res-2010/33 of 23 July 2010 on the Committee of Experts on International Cooperation in Tax Matters

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Dear Secretariat of the Financing for Development Office

Please find attached Australia's response to your note of 1 December 2010 requesting inputs to a Secretary-General's report pursuant to Res-2010/33 of 23 July 2010 on the Committee of Experts on International Cooperation in Tax Matters.

Kind regards,

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Australia believes that, at this stage, the most effective way of strengthening institutional arrangements to promote international cooperation in the tax area is to comprehensively document the work being done by all international taxation forums, with a view to maximising the UN's ability to contribute to and take advantage of that work. Enhanced regional dialogue would also assist countries to better understand regional challenges and develop appropriate policy settings.

Strong working relationships – covering tax policy, tax administration and capacity building – already exist between national and regional taxation bodies and organisations such as the Asian Development Bank, the European Commission, the European Central Bank, the International Monetary Fund, the World Bank, the IBFD, the International Customs Organisation and the OECD.

In addition, the *Global Forum on Transparency and Effective Exchange of Information for Tax Purposes* (with 30-plus members) has made significant progress on improving international cooperation to prevent fiscal evasion, arguably the most pressing issue facing developed and developing countries alike.

The main priority of the *Informal Committee of Experts on International Cooperation in Tax Matters* in 2011 is the completion of the revision of the *United Nations Model Taxation Convention between Developed and Developing Countries*, which is due to be published in 2012 (more than a decade after the previous update). Significant progress has been achieved to date under the current Informal Committee structure and the revision should be allowed to proceed without the risk of distraction, until its conclusion.

Australia does not support upgrading the Committee to an inter-governmental body. This would duplicate the work of other international organisations and fragment the limited government resources currently allocated to international tax issues. It is also not clear that the upgrade would guarantee that this would significantly improve the efficiency of the UN's tax work or its outcomes. Finally, depending on the geographic distribution of membership, there is no guarantee that Australia would be represented under a formal UN inter-governmental structure.