To the kind attention of:
Permanent Representatives and Permanent Observers to the United Nations in New York
United Nations Secretariat, Agencies and Programmes

1st November 2021

Subject: UNGA Second Committee resolution on illicit financial flows and the need for an intergovernmental UN tax body

Your Excellencies distinguished representatives of UN Member States,

We, the undersigned over 100 civil society organisations and trade unions, are writing to you in the context of the ongoing discussions at the Second Committee of the United Nations General Assembly about a draft resolution put forward by the Group of 77 (G77) and China on illicit financial flows, and specifically the proposal to upgrade the current UN expert committee on tax to an intergovernmental body (draft resolution on the promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development, document A/C.2/76/L.28, paragraph 19).

We would like to express our strongest support for the idea of establishing an intergovernmental UN tax body, and stress that this has never been more urgent.

The Covid-19 crisis has caused a critical lack of public funding, and is exacerbating inequalities both within and between countries. International tax cooperation and reform of the global tax system is vitally important for addressing these global challenges and for the achievement of the Sustainable Development Goals (SDGs). In this context, an intergovernmental UN tax body is essential for ensuring that all countries can participate on a truly equal footing in the decision-making on global tax matters, as well as for scaling up the fight against international tax abuse, both by multinational corporations and wealthy elites.

For almost two decades, the UN Member States have discussed the idea of establishing an intergovernmental UN tax body. In 2019, this proposal was supplemented by a proposal to develop a new global UN Tax Convention, as first suggested by the Africa Group.\(^1\) Both of these proposals have since been included in the 2020 Menu of Options for Financing for Development in the Era of Covid-19 and Beyond.\(^2\) In February 2021, they were also endorsed by the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (the FACTI Panel), which had been set up by the Presidents of the UN General Assembly (at the time Nigeria) and the President of the UN Economic and Social Council (at the time Norway).\(^3\)

The recent international tax scandal known as the “Pandora Papers” has provided a stark reminder of the fact that the problem of international tax dodging is still far from resolved. At the same time, the OECD-led international negotiations on taxation and the digitalized economy have once again illustrated that the only international forum where all countries can participate on a truly equal footing is the United Nations.
Now is the time to move from discussions to action, and the ongoing negotiation in the Second Committee about the draft resolution on illicit financial flows provides an opportunity to take an important first step.

In order to ensure that all countries are able to participate on a truly equal footing in the global decision-making on tax matters, we believe that the intergovernmental UN tax body should have universal participation. Furthermore, we believe that a key task for the new body should be the development of a draft UN Convention on Tax, which should provide a future framework for global tax cooperation and a reformed international tax system designed to combat illicit financial flows, reduce inequalities and support the achievement of the SDGs.

In conclusion, we urge you and your government to:

- Support the adoption of a UNGA resolution on illicit financial flows that includes the establishment of an intergovernmental UN tax body with universal membership;
- Support that the new body initiates a negotiation of a new UN Convention on Tax;
- Speak out publicly in support of these proposals and work actively for intergovernmental action through the UN General Assembly.

We remain at your disposal if you would like to receive more information or would like to meet to discuss this issue further.

Yours sincerely,

Civil Society Financing for Development Group (www.csoforffd.org)

**Signatories**

- ActionAid Denmark
- ActionAid International
- ActionAid Nederland
- ActionAid Nigeria
- Africa Development Interchange Network (ADIN)
- Alianza-ActionAid Spain
- Alliance Sud
- All-Party Parliamentary Group on Anti-Corruption & Responsible Tax
- APIT
- Arab NGO Network for Development, ANND
- Asian Peoples' Movement on Debt and Development (APMDD)
- Asociacion Mujeres Emprendedoras de Alta Verapaz
- Association For Promotion Sustainable Development
- Attac Finland
- Both ENDS
- Canadians for Tax Fairness
- Candid Concepts Development
- CCFD-Terre Solidaire
- Cedetrabajo
- Center for Economic and Social Rights

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Centre for Budget and Governance Accountability India
Changemaker Norway
Christian Aid United Kingdom
Church Action for Tax Justice United Kingdom
Church of Norway Council on Ecumenical and International Relations Norway
CMAO Burundi Burundi
CNCD-11.11.11 Belgique
Coalition nationale des organisations des volontaires pour le développement durable (CNOVD) Congo-Kinshasa
Comisión Nacional de Enlace Costa Rica
Comissão Nacional Justiça e Paz Portugal
CRASH - Coalition for Reserch and Action for Social Justice and Human Dignity Finland
CREATURA THINK & DO TANK RY Finland
DemNet Hungary Hungary
Education International International
Ekvilib Institute Slovenia
Equal Asia Foundation (Stichting EqualA Foundation) Asia Regional
Equidad de Género: Ciudadanía, Trabajo y Familia Mexico
European Network on Debt and Development (Eurodad) Europe
Fair Tax Foundation United Kingdom

FIAN International Germany /
Financial Accountability and Corporate Transparency (FACT) Coalition International
Financial Transparency Coalition International
Finnish Development NGOs Fingo Finland
Finnwatch ry Finland
Forum for Women in Democracy Uganda
FORUT Norge
Fundación Constituyente XXI Chile
Fundación SES Argentina
Gender and Development Network United Kingdom
German NGO Forum on Environment & Development Germany
Gestos (soropositividade, comunicação, gênero) Brazil
Global Alliance for Tax Justice (GATJ) International
Global Call to Action Against Poverty (GCAP) International
Global Campaign for Education South Africa
Global Financial Integrity (GFI) United States
Global Policy Forum International
Institute for Economic Justice South Africa
Inter Pares Canada
Iustitia et pax Austria Austria
Jubilee Caribbean Grenada
Justice et Paix France France
Karol Alejandra Arambula Carrillo Mexico
KFUK-KFUM Global Norway
Kopin - Malta (VO/0200) Malta
Latin American Network for Economic and Social Justice (LATINDADD) Perú
Latvian Platform for Development Cooperation Latvia
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