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To:	Delegations
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**Position on behalf of the European Union and its Member States**

**on tax cooperation at the United Nations**

*Submitted jointly by the Presidency of the Council of the EU and the Commission*

The EU and its Member States welcome the opportunity to continue the discussion on how to further promote inclusive and effective international tax cooperation, based on the recently published UN Secretary-General's Report on the UN Tax Resolution prepared in response to the UN General Assembly resolution 77/244 on the promotion of inclusive and effective international tax cooperation at the United Nations.

Multilateralism and international cooperation are key instruments to addressing global challenges, and developing global tax standards is imperative for a cohesive and prosperous international community.

In this perspective, the EU and its Member States recognize the important role played by the UN, including its efforts to support developing countries in mobilising domestic revenues and to increase their ability to finance their development strategies, and its work on the attainment of the Sustainable Development Goals, which is a long-term commitment that concerns all countries around the world.

The EU and its Member States therefore support actions that aim to ensure a fair and effective international tax system for sustainable development in a way that effectively responds to the specific concerns and needs of countries with limited resources or administrative capacities. Inclusive decision making is fundamental in support for effective implementation of global tax standards. In particular, the EU and its Member States widely acknowledge the need for capacity building support for developing countries in the development and the application of global tax standards.

In this regard, the EU and its Member States remain committed to the ongoing work of the OECD/G20 Inclusive Framework, which strive to establish ambitious reforms to the international tax order, including with the two-pillar solution, through its intensive and inclusive negotiations with over 140 jurisdictions. On 11 July 2023, 138 members of the OECD/G20 Inclusive Framework on BEPS, the large majority of which are developing countries, approved the Outcome Statement on the two-pillar solution recognizing the significant progress made and allowing countries and jurisdictions to move forward with a historic, major reform of the international tax system.

Considering the impressive work and progress already achieved and the continued effort to advance further through the OECD/G20 Inclusive Framework on BEPS, it is important to continue to develop these global tax standards and avoid duplication of work or inconsistent outcomes. In addition, the EU and its Member States support the work ongoing at the level of the Global Forum on Transparency and Exchange of Information for Tax Purposes which is aimed at fighting against offshore tax evasion and established a global standard for transparency in tax matters.

On the content of the UN Secretary General's report and its proposed options, the EU and its Member States consider that **options 1 and 2**, as proposed in the report, would risk leading to duplicate ongoing or completed international work linked to the existing global tax framework. It could imply re-opening negotiations, potentially on issues for which promising outcomes already exist, while a considerable network of agreements ensuring tax transparency and tax fairness has been built over the years, to the direct benefit of all participating countries. This would be time consuming for all jurisdictions, as highlighted in the report, against a background where most UN members are already actively involved in the work in the OECD/G20 Inclusive Framework and committed to all the BEPS actions achieved so far.

Amongst the three options proposed in the report, the EU and its Member States could consider **option 3**, i.e. working at the UN on a non-binding multilateral agenda for coordinated actions. Such agenda should be developed in such a way that it avoids duplication with existing international tax agreements and brings concrete benefits to the participating countries, while facilitating parallel and sustained progress at the OECD. Against this background, it would be useful to develop further actions aiming at capacity building and revenue mobilisation, taxing the informal economy, and countering illicit financial flows, especially in the least developed countries, which are critical for delivering on the Addis Ababa Action Agenda and the Sustainable Development Goals over time.

In addition, the EU and its Member States support efforts by the OECD/G20 Inclusive Framework on BEPS and the Global Forum on Transparency and Exchange of Information for Tax Purposes to further enhance inclusiveness of its broad membership.

With this ambition in mind, the EU and its Member States will continue to engage in this debate openly and constructively to find a common and mutually reinforcing way forward at the global level.