ICRICT

Independent Commission for the Reform of International Corporate Taxation

**PRESS RELEASE**

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# ICRICT welcomes the establishment of a United Nations High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda

**ICRICT is delighted that three of its commissioners**, José Antonio Ocampo – who is ICRICT Chair -, Irene Ovonji-Odida and Magdalena Sepúlveda have been appointed to serve as members of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI) that has just be launched by the President of the United Nations General Assembly and the President of the Economic and Social Council.

Domestic resource mobilization is perhaps the key barrier towards realizing the 2030 Agenda for Sustainable Development Goals (SDGs). This is actually why the 2030 Agenda, which aim , among other things, to eradicate poverty, has set mobilizing revenues as a goal on its own.

Tax evasion and avoidance by multinationals and the super-rich are a central ingredient of illicit financial flows and it erodes the ability of States to raise revenue and directly undermines the efforts of the global community to successfully achieve the 2030 Agenda. By failing to collect the revenue that is being lost through tax avoidance schemes by multinationals, governments are failing in their obligation to mobilise all available resources towards the realisation of human rights and the sustainable development goals and thereby condemning millions of people across the developing world to poverty, lack of opportunity and lower living standards.

As the United Nations' 2019 Financing for Sustainable Development Report points out, tax avoidance hits developing countries particularly hard, because their governments tend to rely more on corporate tax revenues, and because companies' declared profits are more sensitive to tax rates than in developed countries. The International Monetary Fund has estimated that OECD countries may be losing $400 billion in tax revenue each year because of profit shifting, with non-OECD countries losing a further $200 billion.

**ICRICT believes that, at this moment in history, there is both an urgent need and an unprecedented opportunity to bring about significant reform of the international corporate taxation system and international tax architecture.**

Whilst we await with interest the outcome of the ongoing BEPS OECD Inclusive Framework negotiations, the outcome in 2020 will not be an end point, but rather the first step towards creating a genuinely fair international tax architecture.

Addressing global challenges such as rising inequality, climate change, development and forced migration requires a community of well-funded States willing to collaborate effectively. Global challenges require global institutions to equally represent the interests of the many, under strengthened multilateral principles. **For that reason, the United Nations should ensure a more critical role in setting the rules of the international tax system and in strengthening tax cooperation.**

To promote financial accountability, transparency and integrity further reforms of the international tax rules and international institutional architecture will therefore be required, and **we hope the High-Level Panel can contribute to promote a reform process towards effective solutions for sustainable development and globally inclusive institutions.**

## Quotes of ICRICT commissioners (please feel free to use them):

**Eva Joly, ex-member of the European Parliament and ICRICT commissioner:**
"Let's put it clear, the international tax system is not fit for the reality of the twenty-first century system, it is weak, unfair and not delivering to face the inequality and climate crisis. It is time for a truly global movement where all countries are on equal power, without the richest countries making the rules for the rest of the planet. The ambition of this panel will be measured by the level of political will around the table to translate into solutions that are urgent now. We will shame countries that will put their own interests or large corporations first to block reform".

## Videos of ICRICT commissioners (please feel free to use them):

SDGs won't be met without an ambitious global tax reform, says **Jayati Ghosh,** Professor at Nehru University and ICRICT commissioner. Watch her here.

ICRICT Chair **José Antonio Ocampo** on why the UN is the place to discuss international tax reform. Watch him here.


**Read our latest report about how to change the way multinationals are taxed, with solutions that are in the interest of both developed and developing countries**

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**ABOUT ICRICT:**
The Independent Commission for the Reform of International Corporate Taxation (ICRICT) aims to promote the international corporate tax reform debate through a wider and more inclusive discussion of international tax rules than is possible through any other existing forum; to consider reforms from a perspective of public interest rather than national advantage; and to seek fair, effective and sustainable tax solutions for development.