**COMMITTEE: ECOSOC**

**QUESTION OF: combatting international tax avoidance and tax evasion**

**SUBMITTED BY: Kazakhstan**

THE ECONOMIC AND SOCIAL COUNCIL,

*Agreeing with* the statement Xi Jinping made during the 9th G20 summit in Brisbane, Australia, ‘global tax cooperation should be strengthened to combat international tax evasion and avoidance and help emerging and low-income countries to improve their capabilities in tax administration’,

*Alarmed by* estimates that conservatively indicate annual losses of anywhere from 4 up to 10 percent of global corporate income tax revenues due to corporate tax avoidance,

*Deeply concerned* by the lack of corporation tax paid by multi national corporations to the governments of all Member States they operate in,

*Alarmed by* the magnitude of tax avoidance and the lack of intervention on an international scale to close simple domestic loopholes,

*Considering* the extent to which individual nations would benefit from potential revenue should loopholes be closed, especially in the context of reducing poverty,

*Noting* that, although low tax economies will decline, there is no justification for basing economic activity around illegitimate and complex schemes to undermine performance and equality elsewhere,

*Keeping in mind* that it is possible to review legislation and find ways to ensure that corporation tax is paid within individual countries,

1.

2. Recommends that UN member states impose greater sanctions against firms who continue to avoid corporation tax (once the means of doing so are made illegal and it becomes evasion), although corporations should be given a year to make new legitimate arrangements;

3. Encourages all member states to come up with definitions for Aggressive Tax Planning (ATP) to:

a) prevent any further complications due to the absence of definition,

b) communicate this definition to the International Court of Justice (ICJ);

4. Recommends developing countries to strengthen the legislation on taxes to prevent companies to take advantages by base erosion and profile shifting;

5. Urges the Committee of Experts to finalise the United Nations Model Double Taxation Convention between Developed and Developing countries to establish more trust in governments;

6. Suggests all member states to combat the institutionalised behaviour deemed acceptable by global society, by utilising propaganda by means such as but not limited to:

a) television,

b) radio,

c) newspapers,

d) posters in the streets,

e) brochures,

f) education;

7. Requests that all member states increase severity for repeat or long term offenders following the matters enforced by clause 2, which would be justified by tax rates which reflect the ability of forms to pay corporation tax, as well as the individual economic circumstances of member states;

8. Calls for more transparency and less complexity so less room for interpretation:

a) in between Member States,

b) by encouraging individual countries to rewrite and simplify existing laws on income and corporation taxation;