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Agenda item 16

Macroeconomic policy questions

Report of the Second Committee*

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I. Introduction

1. At its 3rd plenary meeting, on 16 September 2022, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its seventy-seventh session, the item entitled:

“Macroeconomic policy questions:

“(a) International trade and development;

“(b) International financial system and development;

“(c) External debt sustainability and development;

“(d) Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development;

“(e) Promoting investments for sustainable development”

and to allocate it to the Second Committee.

2. The Second Committee held a general discussion on the item at its 6th and 7th meetings on 6 October 2022, heard the introduction of draft proposals under the item at its 21st and 25th meetings, on 10 and 23 November 2022, and took action on the item at its 23rd and 25th meetings, on 22 and 23 November. An account of the Committee’s discussion of the item is contained in the relevant summary records.¹ Attention is also drawn to the general debate held by the Committee at its 2nd to 5th

* The report of the Committee on this item is being issued in six parts, under the symbols [A/77/441](#), [A/77/441/Add.1](#), [A/77/441/Add.2](#), [A/77/441/Add.3](#), [A/77/441/Add.4](#) and [A/77/441/Add.5](#).

¹ [A/C.2/77/SR.6](#), [A/C.2/77/SR.7](#), [A/C.2/77/SR.21](#), [A/C.2/77/SR.23](#) and [A/C.2/77/SR.25](#).



and 8th meetings, on 3, 4 and 7 October.² An account of the Committee's further consideration of the item is given in the addenda to the present report.

3. For its consideration of the item, the Committee had before it the following documents:

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Macroeconomic policy questions

Item 16 (a)

International trade and development

Report of the Trade and Development Board on its seventy-first executive session, Geneva, 10 and 11 and 16 to 18 February 2022 ([A/77/15 \(Part I\)](#))

Report of the Trade and Development Board on its sixty-ninth session, Geneva, 20 June to 1 July 2022 ([A/77/15 \(Part II\)](#))

Note by the Secretary-General transmitting the report prepared by the secretariat of the United Nations Conference on Trade and Development on international trade and development ([A/77/207](#))

Item 16 (b)

International financial system and development

Report of the Secretary-General on the international financial system and development ([A/77/224](#))

Item 16 (c)

External debt sustainability and development

Note by the Secretary-General transmitting the report prepared by the secretariat of the United Nations Conference on Trade and Development on external debt sustainability and development ([A/77/206](#))

Item 16 (d)

Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development³

Report of the Secretary-General on international coordination and cooperation to combat illicit financial flows ([A/77/304](#))

Item 16 (e)

Promoting investments for sustainable development

No documents were submitted under this sub-item.⁴

4. At the 6th meeting, on 6 October 2022, the Committee heard introductory statements by the Acting Director of the Division on International Trade and Commodities

² See [A/C.2/77/SR.2](#), [A/C.2/77/SR.3](#), [A/C.2/77/SR.4](#), [A/C.2/77/SR.5](#) and [A/C.2/77/SR.8](#).

³ Pursuant to General Assembly resolution [76/196](#), dedicated sections on the topic were prepared by the secretariat of the United Nations Conference on Trade and Development, as part of the *Sustainable Development Goals Pulse* report (available at <https://sdgpulse.unctad.org/illicit-financial-flows/>) and the *Trade and Development Report* (in the form of a paper entitled "Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development: achievements, challenges and way forward").

⁴ Pursuant to General Assembly resolution [74/198](#), dedicated sections on the topic were prepared by the secretariat of the United Nations Conference on Trade and Development, as part of the *Creative Economy Outlook 2022* report (see [A/77/500](#)) and the *World Investment Report 2022: International Tax Reforms and Sustainable Investment* (see [A/77/499](#)).

of the United Nations Conference on Trade and Development (under sub-items (a) and (e)); the Permanent Representative of Latvia to the United Nations Office and other international organizations in Geneva and President of the Trade and Development Board at its sixty-eighth session (under sub-item (a)); the Chief of the Policy Analysis and Development Branch in the Financing for Sustainable Development Office of the Department of Economic and Social Affairs (under sub-items (b) and (d)); the Head of the Debt and Development Finance Branch, Division on Globalization and Development Strategies of the United Nations Conference on Trade and Development (by video link) (under sub-item (c)); the Senior Statistician of the United Nations Conference on Trade and Development (by video link) (under sub-item (d)); and the Director of the Division on Investment and Enterprise of the United Nations Conference on Trade and Development (by video link) (under sub-item (e)).

5. At the same meeting, the Chief of the Policy Analysis and Development Branch in the Financing for Sustainable Development Office and the Head of the Investment Policies Branch of the United Nations Conference on Trade and Development (by video link) responded to questions posed by the representatives of Egypt, Pakistan, Brazil and South Africa.

6. At the 22nd meeting, on 21 November, the representative of the United States of America made a statement with regard to the draft resolutions before the Committee.⁵

7. Also at the same meeting, the representative of the Russian Federation made a statement regarding the draft resolutions entitled “International trade and development”, “External debt sustainability and development” and “International financial system and development”. Action on the draft resolutions was taken at the 23rd and 25th meetings, on 22 and 23 November.⁶

II. Consideration of proposals

Draft resolution [A/C.2/77/L.11/Rev.1](#) and the amendment contained in document [A/C.2/77/CRP.2](#)

8. At the 25th meeting, on 23 November 2022, the representative of Nigeria, on behalf of the States Members of the United Nations that are members of the Group of African States, introduced a draft resolution entitled “Promotion of inclusive and effective international tax cooperation at the United Nations” ([A/C.2/77/L.11/Rev.1](#)).

9. At the same meeting, the Committee was informed of the programme budget implications of draft resolution [A/C.2/77/L.11/Rev.1](#), contained in document [A/C.2/77/L.75](#).

10. Also at the same meeting, the representative of the United States of America introduced an amendment to draft resolution [A/C.2/77/L.11/Rev.1](#), contained in document [A/C.2/77/CRP.2](#).

11. Also at the 25th meeting, the representative of South Africa made a statement in explanation of vote before the vote.

⁵ See [A/C.2/77/SR.22](#).

⁶ See [A/C.2/77/SR.23](#) and [A/C.2/77/SR.25](#).

12. Also at the same meeting, the Committee rejected the amendment contained in A/C.2/77/CRP.2 by a recorded vote of 97 to 55, with 13 abstentions. The voting was as follows:⁷

In favour:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Guinea, Honduras, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Micronesia (Federated States of), Monaco, Montenegro, Netherlands, New Zealand, North Macedonia, Panama, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia, Seychelles, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.

Against:

Algeria, Angola, Antigua and Barbuda, Bahamas, Bahrain, Barbados, Belize, Benin, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, China, Comoros, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Djibouti, Dominican Republic, Ecuador, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea-Bissau, Guyana, India, Indonesia, Iran (Islamic Republic of), Iraq, Jordan, Kazakhstan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Lesotho, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Nigeria, Oman, Pakistan, Papua New Guinea, Paraguay, Philippines, Qatar, Russian Federation, Rwanda, Saint Kitts and Nevis, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, Somalia, South Africa, Sri Lanka, Sudan, Syrian Arab Republic, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Uganda, United Arab Emirates, United Republic of Tanzania, Viet Nam, Yemen, Zambia, Zimbabwe.

Abstaining:

Argentina, Bangladesh, Bhutan, Chile, Colombia, Costa Rica, El Salvador, Mexico, Norway, Peru, Suriname, Türkiye, Uruguay.

13. At the same meeting, the representatives of Norway, the United Kingdom of Great Britain and Northern Ireland and Singapore made statements in explanation of vote after the vote.

14. At the same meeting, the Committee adopted draft resolution [A/C.2/77/L.11/Rev.1](#) (see para. 16).

15. After the adoption of the draft resolution, statements were made by the representatives of Czechia (on behalf of the European Union and Albania, Bosnia and Herzegovina, Georgia, Montenegro, the Republic of Moldova, Serbia, Türkiye and Ukraine), the United States of America, Liechtenstein, Switzerland, Canada (also on behalf of Australia and New Zealand), the Republic of Korea, Japan, Eritrea (on behalf of the Group of African States) and Nigeria.

⁷ Subsequently, the Secretariat was informed by the delegations of Bangladesh, Belarus, Guinea and Seychelles that they had intended to vote against. In addition, the Secretariat was informed by the delegation of Kazakhstan that they had intended to abstain.

III. Recommendation of the Second Committee

16. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Promotion of inclusive and effective international tax cooperation at the United Nations

The General Assembly,

Guided by the purposes and principles enshrined in the Charter of the United Nations,

Recognizing that combating illicit financial flows is an essential development challenge, noting that developing countries are particularly susceptible to the negative impact of illicit financial flows, emphasizing that illicit financial flows reduce fiscal space along with the availability of valuable resources for financing for development, and recognizing the importance of cooperation at the national, regional and international levels in combating illicit financial flows and promoting financial transparency,

Noting the corrosive effect that aggressive tax avoidance and tax evasion have on trust, the social compact, financial integrity, the rule of law and sustainable development, affecting the poorest and most vulnerable,

Reaffirming its resolution [69/313](#) of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, in which Member States committed to scaling up international tax cooperation, encouraged countries, in accordance with their national capacities and circumstances, to work together to strengthen transparency and adopt appropriate policies, including multinational enterprises reporting country-by-country to tax authorities where they operate, access to beneficial ownership information for competent authorities, and progressively advancing towards automatic exchange of tax information among tax authorities as appropriate, with assistance to developing countries, especially the least developed, as needed, and stressed that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the different needs and capacities of all countries, in particular countries in special situations,

Recalling the commitment of Member States under the Addis Ababa Action Agenda to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation,

Noting that its resolution [69/313](#) also commits Member States to working to improve the fairness, transparency, efficiency and effectiveness of their tax systems,

Reaffirming the United Nations Convention against Corruption¹ and the United Nations Convention against Transnational Organized Crime,²

Recalling the high-level meeting on international cooperation to combat illicit financial flows and strengthen good practices on assets return, convened by the President of the General Assembly at United Nations Headquarters on 16 May 2019,

¹ United Nations, *Treaty Series*, vol. 2349, No. 42146.

² *Ibid.*, vol. 2225, No. 39574.

Reiterating its commitment to financial integrity for sustainable development, including by strengthening work to enable global reporting of data consistent with the definitions for the measurement of illicit financial flows agreed in the context of the 2030 Agenda for Sustainable Development³ and indicator 16.4.1, endorsed by all Member States at the fifty-third session of the Statistical Commission,⁴

Recognizing the need for all countries to work together to eliminate tax evasion, tax base erosion and profit shifting and to ensure that all taxpayers, including multinational companies, pay taxes to the Governments of countries where economic activity occurs and value is created, in accordance with national and international laws and policies,

Recalling the importance of the consideration of international tax cooperation at the United Nations,

Noting the work of the Committee of Experts on International Cooperation in Tax Matters and the 2022 special meeting of the Economic and Social Council on international cooperation in tax matters,

Noting also the work of the Organisation for Economic Co-operation and Development/Group of 20 Inclusive Framework on Base Erosion and Profit Shifting,

Noting further the implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters under a common reporting standard developed by the Organisation for Economic Co-operation and Development, as well as the role of the Global Forum on Transparency and Exchange of Information for Tax Purposes,

Recalling the work of the Platform for Collaboration on Tax, which is to intensify collaboration and coordination on tax issues between the United Nations, the International Monetary Fund, the World Bank Group and the Organisation for Economic Co-operation and Development,

Noting the Group of 20 Ministerial Tax Symposium on Taxation and Development, which was held in Nusa Dua, Bali, Indonesia, on 14 July 2022,

Noting also the work of the Addis Tax Initiative in fostering collective action to strengthen the capacities of developing countries for closing recognized gaps in development finance,

Recognizing the need to strengthen international cooperation on tax matters in a more inclusive intergovernmental forum,

Taking note of resolution 990 (LIV) on curbing illicit financial flows and recovery of lost assets of 17 May 2022, adopted by the Conference of African Ministers of Finance, Planning and Economic Development,⁵

Taking note also of the statement of the Secretary-General, in his report on international coordination and cooperation to combat illicit financial flows, that the Secretariat can provide expertise and knowledge to support Member States to take the next steps needed to ensure inclusive international tax cooperation and coordination,⁶

1. *Recognizes* the timeliness and importance of strengthening international tax cooperation to make it fully inclusive and more effective;

³ Resolution 70/1.

⁴ See *Official Records of the Economic and Social Council, 2022, Supplement No. 5 (E/2022/24)*, chap. I, sect. C.

⁵ See [E/ECA/CM/54/6](#).

⁶ See [A/77/304](#).

2. *Decides* to begin intergovernmental discussions in New York at United Nations Headquarters on ways to strengthen the inclusiveness and effectiveness of international tax cooperation through the evaluation of additional options, including the possibility of developing an international tax cooperation framework or instrument that is developed and agreed upon through a United Nations intergovernmental process, taking into full consideration existing international and multilateral arrangements;

3. *Requests* the Secretary-General to prepare a report analysing all relevant international legal instruments, other documents and recommendations that address international tax cooperation, considering, inter alia, avoidance of double taxation model agreements and treaties, tax transparency and exchange of information agreements, mutual administrative assistance conventions, multilateral legal instruments, the work of the Committee of Experts on International Cooperation in Tax Matters, the work of the Organisation for Economic Co-operation and Development/Group of 20 Inclusive Framework on Base Erosion and Profit Shifting and other forms of international cooperation, as well as outlining potential next steps, such as the establishment of a Member State-led, open-ended ad hoc intergovernmental committee to recommend actions on the options for strengthening the inclusiveness and effectiveness of international tax cooperation;

4. *Also requests* the Secretary-General, when preparing the report, to consult with Member States, the members of the Committee of Experts on International Cooperation in Tax Matters, the Platform for Collaboration on Tax, and other international institutions and relevant stakeholders;

5. *Decides* to consider the report at its seventy-eighth session and to include in the provisional agenda of its seventy-eighth session, under the item entitled “Macroeconomic policy questions”, a sub-item entitled “Promotion of inclusive and effective international cooperation on tax matters at the United Nations”.
