lax justice network

January 31, 2011

Hon. Ban Ki-Moon

Secretary General
United Nations
New York, New York

Re: Economic and Social Council: Resolution 2010/33

ML Secretary General,

The United Nations Economic and Social Council, in its Resolution 33 of July 23,
2010, requires you "to submit to the Council by March 2011 a report examining the strengthening of institutional arrangements to promote international cooperation in tax matters, including the Committee of Experts on International Cooperation in Tax Matters."

The Tax Justice Network believes that the Committee of Experts on International Cooperation in the Tax Matters ("UN Tax Committee") should be strengthened as follows:

(1) In accordance with resolution 2004/69 of November 11, 2004 which determined that the UN Tax Committee should "give special attention to developing countries and countries with economies in transition," the method of choosing members of the UN Tax Committee should be revised so that more experts from developing countries and countries with economies in transitions be appointed to the UN Tax Committee.
Developing countries and countries with economies in transition are not at present
adequately represented on the UN Tax Committee.

(2) The UN Tax Committee should be "upgraded" to an intergovernmental commission
and given more budgetary resources in order to carry out its important funr-tions.

(3) International tax cooperation has become even more important, especially for
developing countries, and it is essential 1l..2 0rI2R7vJ36Te3O3Td (esp8098 227.4222 Tm (UN)Tj 0ttee.)T 9.6 Tm (and)Tj 738 Tc 1.53imp 0 0 t11.2 3111c 4.792 udgetary

Global Financial Integrity, a research institute, has recently issued a report, "Illicit Financial Flows from Developing Countries: 2000-2009," which concludes that approximately U.s, $6.5 trillion was removed from developing countries dUling that period as a result of crime, corruption and trade mispricingc Substantially all ofsuch illicit financial flows from developing countries end up in financial centers in the developed countries or in offshore financial secrecy/tax haven jurisdictionsc Such illicit financial flows, which are encouraged and facilitated by financial institutions and other intermediaries in developed countries and offshore financial secrecy/tax haven jurisdictions, are far in excess of the approximate US$10S billion in Official Development Assistance