into consideration the different needs of countries at different levels of development and in different situations, and that it caters to different levels of capacity of tax officials?

The present paper explores the links of the work of the United Nations Tax Committee with global policy efforts to spur the implementation of the 2030 and Addis Agendas. Fiscal policy is a fundamental tool for DRM. However, fiscal policy is much wider than DRM, as it refers to the use of government revenue generation and expenditure to influence economic outcomes. This paper focuses on government revenues; within the realm of domestic revenue generation, it focuses on revenues from taxation, recognizing that there are many other non-tax government revenues, such as tariffs, interest receipts received from loans given by the government and dividends and profits received from public sector companies.

The paper also aims to highlight that taxation plays a fundamental role in the achievement of the SDGs, which goes beyond financing. For example, fiscal policies can contribute to the reduction of inequalities and the broader objective of leaving no one behind. In this respect, the United Nations Tax Committee, within its mandate, may consider placing greater emphasis on providing guidance on such aspects of taxation.

I.

On 25 September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development as the agreed framework for international development. It is the successor to the Millennium Development Goals (MDGs). The 2030 Agenda sets out 17 objectives, known as the Sustainable Development Goals (SDGs), and 169 targets on issues ranging from ending extreme poverty and hunger to education, health, gender equality, water, energy, the economy and employment, biodiversity and ecosystems, and peaceful and inclusive societies, including a fundamental commitment to leave no one behind.

The Addis Agenda, adopted on 16 July 2015 by world leaders in Addis Ababa, Ethiopia, establishes a strong foundation to support implementation of the 2030 Agenda. The Addis Agenda provides a comprehensive set of policy actions by Member States, with a package of over 100 concrete measures to achieve the SDGs by promoting inclusive economic growth, protecting the environment, and promoting social inclusion. The Action Agenda draws upon all sources of finance, technology and innovation, promotes trade and debt sustainability, harnesses data and addresses systemic issues.

The mobilization and effective use of domestic resources are central to the pursuit of sustainable development. Taxation is a powerful tool to help finance achievements of the SDGs. Adequate domestic and international fiscal policies can also play an important role in reducing inequalities and promoting positive sustainable development patterns.

In Africa, the large share of subsistence and smallholder agriculture in the economy and the high unemployment rate result in narrow tax bases, reducing the potential of tax collection. In some countries, the political and economic elite remain outside the tax

soon. Moreover, in response to the G20 call for broad and consistent implementation of the Base Erosion and Profit Shifting (BEPS) package, the OECD/G20 Inclusive Framework on BEPS was established in June 2016, and in its first 24 months, over 115 countries and jurisdictions became members.

The Platform for Collaboration on Tax (the Platform), a joint effort launched in April

Commonwealth, Europe, Francophone countries, Islamic countries, Latin America, the Pacific and West Africa.

II.

analysing nine key performance areas that cover most tax administration functions, processes and institutions. Among assessed countries, some patterns, gaps, and policy recommendations emerge from the assessments, including a general need by tax administrations for more reliable and complete data, and increased efficiency of certain processes, including dispute resolution.

Effective dispute avoidance and prompt resolution may reduce the administrative burden, and often results in a better relationship between taxpayers and the State and this results in more certainty and security for the citizens of the country. As a consequence, citizens may have an increased perception of tax certainty, as well as the trust in the fairness of the tax and legal systems, creating a better investment climate. These results would have a positive impact on achieving the SDGs both by improving trust in government, and by stimulating private investments which may contribute to financing sustainable development.

(c)

Transparency is an important attribute of national institutions (SDG 16). Fiscal transparency means that the tax laws are understandable to taxpayers, and that they can easily obtain clear indications on how they should comply with such laws in specific cases. Fiscal transparency also relates to the collection and spending of tax revenues. Taxpayers care about knowing that the collection system is fair and that evasion is effectively tackled, as well as whether revenues are used in areas that they value.

The effectiveness of fiscal policies can be enhanced by the greater ability of governments to collect, process and act on information, relating to both public service delivery and tax collection. The digitalization of the economy and new technologies provides opportunities to increase efficiencies and save costs in public financial management. Supporting tax administration and collection, access to more and better data, as well as improved data management systems can also lead to better policy design.

To discourage hiding of income and wealth, countries are implementing stronger rules on the disclosure and exchange of beneficial ownership information. Technological advances might support the creation and exchange of information from beneficial ownership registries.

A key milestone in international tax cooperation to enhance transparency was reached in 2017, as 49 jurisdictions began exchanging information under the Automatic Exchange of Information standard, which requires tax authorities to automatically exchange financial account information of non-residents with the tax authorities of the account holders’ country of residence. A further 53 jurisdictions started or will start such exchanges in 2018.

It should however be noted that a systemic imbalance persists in the application of these norms, and structural hindrances to the participation of developing countries are still present. While the European Union has proposed reforms to its anti-money laundering rules that will advance the collection and sharing of beneficial ownership in that region, many LDCs and middle-income countries currently have no way to automatically receive such information. This leaves opportunities for tax avoidance and evasion through the use of shell companies, trusts and other opaque financial structures.

The agreed policy recommendations from the November 2017 meeting of the UNCTAD Intergovernmental Expert Group on Financing for Development emphasized the need for enhanced developing-country participation in current initiatives to improve international tax cooperation.

There is currently no consensus in the international community on how to adapt international tax rules to the digitalisation of the economy, and whether specific tax treatment should be applied to digital companies.

The United Nations Tax Committee has established a subcommittee to consider necessary revisions to the United Nations Model Convention, as well as to provide revised policy guidance on the taxation of the digitalized economy. The Task Force on the Digital Economy (a subsidiary body of the OECD Inclusive Framework on BEPS) is examining the tax challenges of digitalisation and released an interim report on the findings in increases the responsibility of governments to protect citizens' privacy and to adopt