

Review Article

General Agreement on International Tax Cooperation, Trade and Global Tax Governance: A Proposal (Part I)

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KEYWORDS:

International tax cooperation, global tax governance, international trade, codification and progressive development, United Nations Charter, sustainable development

ABSTRACT:

This article presents a proposal for a general agreement on international tax cooperation, trade, and global tax governance as a support for a neural system of international tax cooperation relations to make effective the channels of tax cooperation between the States of the world in the coming centuries, in a new global tax governance architecture design. In the current post-COVID 19 era, in an unstable framework marked by economic, health, military, migratory crises, etc., international tax cooperation, trade and global tax governance are critical sources towards a new world order inspired by new foundations of global tax governance that allows financing sustainable development.

PALABRAS CLAVES:

Cooperación fiscal internacional, gobernanza fiscal global, comercio internacional, codificación y desarrollo progresivo, Carta de las Naciones Unidas, desarrollo sostenible

RESUMEN:

Este artículo presenta una propuesta de tratado general sobre cooperación tributaria internacional, comercio y gobernanza fiscal global como sistema neural de relaciones de cooperación tributaria internacional para hacer efectivos los cauces de cooperación tributaria entre los Estados del mundo en los próximos siglos, en un nuevo diseño de arquitectura de gobernanza fiscal global. En la actual era post-COVID19, en un marco inestable marcado por crisis económicas, sanitarias, militares, migratorias, etc., la cooperación fiscal, el comercio internacional y la gobernanza fiscal global son fuentes de financiación cruciales hacia un nuevo orden mundial inspirado en nuevas bases de gobernanza tributaria que permita financiar el desarrollo sostenible.

MOTS CLES :

Coopération fiscale internationale, gouvernance fiscale mondiale, commerce international, codification et développement progressif, Charte des Nations Unies, développement durable

RESUME :

Cet article présente une proposition de traité général sur la coopération fiscale internationale, le commerce et la gouvernance fiscale mondiale comme un système neuronal de relations de coopération fiscale internationale pour rendre efficaces les canaux de coopération fiscale entre les États du monde dans les siècles à venir, dans une nouvelle architecture de gouvernance fiscale mondiale. Dans l'ère post-COVID19 actuelle, dans un cadre instable marqué par des crises économiques, sanitaires, militaires, migratoires, etc., la coopération fiscale, le commerce international et la gouvernance fiscale mondiale sont des sources du financement essentielles vers un nouvel ordre mondial inspiré par de nouveaux fondements de la mondialisation. Une gouvernance fiscale qui permette de financer le développement durable.

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BACKGROUNDS

PREPARATORY WORKS

GENERAL AGREEMENT ON INTERNATIONAL TAX COOPERATION, TRADE AND GLOBAL TAX GOVERNANCE:

A Proposal

(Part I)

The parties to this General Agreement,

Emphasizing the necessity of international tax cooperation and global tax governance about the commercial, social and economic relations to achieve the optimal utilization of the world's resources, according to the objective of a sustainable economic development of States and the purposes of environmental and socially sustainable development.

Reaffirming the duty of cooperation in economic and social matters incorporated in the Charter of the United Nations (Article 1.3, Article 13, Articles 55-56 and 62), as well as in other recommendations, declarations and resolutions of the National Assembly and ECOSOC on international tax cooperation such as the Resolutions 1,495 (XV), 1,522 (XV), 1,516 1519 and 1526 (XV), 1815 and especially Resolution 2625 (XXV) of the General Assembly on International Cooperation.

Being desirous of contributing to achievement of the sixteen sustainable development goals (SDGs) of the United Nations 2030 Agenda and the future ones targets (twi 2050; EU 2050; 2063 African Union Agenda, etc.), as well as to the achievement of the Addis Ababa Action Agenda objectives; the Doha Declaration; the Monterrey consensus, and being desirous of contributing with the United Nations, the International Monetary Fund, the World Bank and the OECD, which conforming the platform for international fiscal cooperation, as well as with the rest of stakeholders and states involved in these issues.

Highlighting the necessity to make positive efforts to ensure that the developing countries maximize their possibilities of development through good tax and financial policies inspired by international cooperation and good global governance, that prevents aggressive unilateral measures, promoting inclusive frameworks for international tax cooperation (no one behind).¹

Emphasizing the relevance of the taxation, international tax cooperation, international trade and global tax governance as crucial financial sources for sustainable development in a globalized world that leads to fair, inclusive, efficient and digitized tax systems.

Recognizing further that the states should make compensation efforts to balance the forces between efficient, digitized and robotic administrations in the face of the taxpayers, intermediaries' and stakeholders' rights, protecting the confidentiality of information, privacy and the flow of personal data, enhancing tax compliance models and tax risk management processes in the framework of the digitalization of tax administrations. Achievements that must be specifically reinforced in environments of health (COVID-19, ...), military (WARS) and/or economic crisis.

Resolved to observe the principles and purposes of the global legal order, the legal sources of international tax law and international economic law.

Resolved to preserve the commitments assumed by any of the States derived from the bilateral or multilateral instruments that the parties have taken in these subjects, and,

Convinced to advance in the people's mentality shift, enhancing the international tax cooperation between the states and the international tax governance on the path of global sustainability,

¹ United Nations International Tax Cooperation Committee target.

Have agreed:

Article 1

Set of the general agreement

The present agreement sets a new general agreement on “International Tax Cooperation, Trade and Global Tax Governance”.

This general agreement follows the last generation international economic cooperation treaties, with a holistic view, in line with the new generation of trade agreements (FTAs), dealing not only with economic aspects, but also cultural, social, ethical, and environmental ones.

Article 2

Principles

The respect for the democratic socio-economic principles and the fundamental Human Rights contained in the Universal Declaration of Human Rights, as well as in the Charter of the United Nations and in international tax law and international trade agreements, inspire the present general agreement.

The general agreement on international tax cooperation, trade and global tax governance is supported on the principles of tax justice, legal security, equity and efficiency, transparency, simplification, neutrality, proportionality and sustainability.

The parties shall act in accordance with the undertake international taxation principles, especially with the general principles assumed at the Ottawa Ministerial conference on electronic commerce: Neutrality, efficiency, certainty and simplicity, effectiveness and fairness and flexibility.

A new “Principle of International Tax Cooperation” is set as a new general principle of the global legal system for the promotion, strengthening and consolidation of international tax cooperation among the world States and stakeholders.

Article 3

Proposals

1. The purposes of the present general agreement are:
 - a) To achieve international tax co-operation in solving problems of economic, social, technologic, environmental, educational, and humanitarian character.
 - b) To acquire sustainable development promoting a new mentality shift of the peoples, as well as multilateral tax and financial policies to address global challenges, seizing the potential of financial innovation, new technologies and tax digitalization policies, protecting the taxpayers’ rights, intermediaries and stakeholders.
 - c) To set the framework bases of a new global tax governance architecture design, strengthening "fairness & efficient" regional, national, and international financial and tax policies in the face of the changing global landscape, committed to combating any kind of tax avoidance/evasion and criminal tax, as well as improving tax compliance systems and tax risk management processes of tax administrations.
 - d) To promote the mobilization of domestic resources and investments to achieve sufficient resources to provide the basic needs and services for developing countries still underfunded.
 - e) To go on the new multilateralism consensus, promoting the effective participation of ministers and finance vice-ministers, tax authorities and representatives of civil society, private sector, SMEs, MNEs, academia, regional and global international organizations,

institutional tax associations, and the rest of the stakeholders, to achieve the objectives of sustainable development through international tax cooperation in a framework of good global fiscal governance.

Article 4

Scope

1. This general agreement contains the cross-cutting, inclusive, and sustainable bases for international tax cooperation-governance, trade tax keys and technological innovation, aimed at achieving efficient, fair-equitable tax systems for the sake of global sustainability. It is intended to contribute towards the efficiency, effectiveness, and fairness of international, national and regional taxation systems while protecting citizens' moral, human and social rights in the relations of the tax Administrations with the taxpayers and stakeholders, following the 2030 and Addis Ababa Agendas, the Monterey Conference and the Doha Declaration and being committed to the future agendas on these issues.
2. This general agreement assumes a wide-ranging global tax governance scope enhancing the necessity of: the international tax cooperation relations between tax administrations (international, national, and regional plans), and the tax administrations and taxpayers, intermediaries and stakeholders in the international and national fields (highlighting the need to further strengthen the protection of taxpayers' rights in cross-border tax transactions); the international administrative cooperation in tax matters; the international cooperation in administrative mutual assistance (tax credits); the international trade tax law issues; the customs tax cooperation; the digitization of tax administrations; the tax risk management models for tax administrations (compliance tax risk processes), the global guidelines for taxation of the digital economy and transfer pricing; Tax education and tax compliance; the environment taxation; the taxpayers rights in the domestic and international sphere; Taxation and Gender; Resolution of tax disputes; Systems for combating tax fraud in the fight against tax avoidance, tax evasion and aggressive tax planning, corrupt-free and transparent tax systems, and in general, environment, social and ethical tax policies.

Article 5

International Administrative Cooperation in Tax Matters

1. The parties of this treaty acquire the commitment to make possible all way of the international administrative cooperation - in matters related to taxes of any nature- with the following purposes:
 - a) To redistribution of wealth for public wellbeing and to raise more revenue in an equitable way in the framework of a new social contract inspired on a more inclusive and equitable society.
 - b) To get higher tax revenues that contribute to the reduction of the public sector deficit for benefit of all.
 - c) To fight against tax evasion and tax avoidance and avoidance in the international market, regarding worldwide earnings.
 - d) To maintain national tax sovereignty and the tax balances in a globalization world characterized by an expansion of cross-border transactions and the internationalization of financial instruments. In the global era, tax administrators must extend their reach beyond the borders of the Nation State.
 - e) To collect of domestic financial resources to support the efforts for the achievement of the sustainable development and sustainable development goals.
 - f) Cooperation between tax administrations is critical in an environment of global crisis for States to maintain their revenues. It must be taken into account especially in situations such as those that cause global pandemics.
2. The administrative tax cooperation may be specified in the following actions:

- a) Exchange of tax information between tax administrations regarding the entire tax system. The parties will preserve the commitments assumed on international regulations created on the exchange of tax information between tax administrations, in coherence with the legal framework: Multilateral mutual assistance convention; Bilateral double taxation agreements (articles 25, 26, etc.); Bilateral agreements for the exchange of tax information; The common report standard and the multilateral Competent Authority Agreement on the Exchange of CbC Reports (CbC MCAA), as well as the other two OECD models of competent authority agreements for the exchange of CbC Reports (one for exchanges under Double Taxation Agreements and another for exchanges under Tax Information Exchange Agreements); the tangent actions of BEPs; the Community Directives and Regulations of the European Union and regulations on administrative cooperation in tax matters between the member states of the European Union; the domestic state regulations, etc.

The parties assume to extend and promote the international cooperation on automatic information exchange and other tax information exchange systems.

- b) Exchange of officials and senior officials of the tax and customs administrations. Presence of the officials (requesting country) in the offices of the administrations of the requested country.
 - c) Participation of officials (from the requesting country) in the investigations of the requested country (interviews with people and examination of files if the legislation of the other country allows it).
 - d) Simultaneous controls: two or more member states agree to control each one in their respective territory, simultaneously with two or more people in common.
 - e) Notifications.
 - f) Exchange of good practices (sharing and evaluation of administrative cooperation actions).
 - g) Simplification and standardization of administrative and customs procedures.
 - h) Cooperation in Technical Assistance.
3. The parties express their interest in proceeding in the future to adopt a Protocol of international fiscal cooperation that avoids the gaps and overlaps produced by the different international regulations that exist in this matter (OECD, UN, FATCA, EU, Nordic Convention, Andean pact, etc.). It should be necessary to develop common procedural standards and compatible information and communication technology. Standardization of formats is critical to the efficiency and effectiveness of the administrative cooperation in tax matter.
 4. Costs: The States should work to minimize costs through standardized procedures valid for all countries, otherwise short and medium-term costs may be much higher than the benefits.

Article 6

International cooperation in administrative mutual assistance (tax credits)

1. The parties:
 - a) Will cooperate in all possible forms of related to any nature taxes.
 - b) Will cooperate in the collection of tax credits required by other states taking the necessary measures to ensure such result as if they were their own tax credits.
 - c) Will facilitate the proper determination of tax obligations and help to ensure their rights.
 - d) Will contribute to combating international tax evasion and avoidance in all spheres: regional, national and international.

- e) Will establish as international framework the Multilateral Convention for Mutual Assistance modified by its last protocol and adjusted to the subsequent regulations created in the matter.
 - f) Will preserve the regulations established in international tax law on cooperation in administrative mutual assistance, with special monitoring of the commitments derived from the agreements signed of a bilateral and multilateral nature. They will also promote and facilitate any kind of administrative assistance in tax matters.
2. In the development of mutual assistance activities by the tax administrations, the national and international legislation will protect the rights of taxpayers, especially the protection of the confidentiality of information, privacy, secrecy of correspondence and industrial secrecy as well as the respect for the principle of non-discrimination.

Article 7

Cooperation in international trade through commercial tax policies²

1. The parties will strengthen international cooperation through the establishment and application of commercial tax policies aimed at:
 - a) To promote and diversify commercial exchanges, commercial flows and commercial cooperation projects.
 - b) To promote international investments.
 - c) To promote the transfer of improvements, technologies, technical training programs, the exchange of technologies and computer systems, experiences and good practices, advice and information systems....
 - d) To reduce risks and distortions in trade relations and eliminate obstacles to cooperation in international trade.
 - e) Boost cooperation between commercial agents involved and stakeholders.
 - f) To promote the exchange of information and technology in the field of international trade.
 - g) To open disclosure of national legislation and investment opportunities and benefits.
2. The parties will follow the International Trade Law included in the World Trade Organization and other international treaties and rules binding to them".
3. The parties will favour the celebration of multilateral and bilateral treaties to promote trade and investment and will respect the commitments derived from multilateral and bilateral agreements to avoid double taxation. In general, parties will refuse to use mechanisms such as double exemptions, double non-taxation and international tax fraud in international trade.
4. *Global value chains*: The parties will promote development by encouraging participation and improvement in global value chains, preventing developing countries from obtaining less profit from their participation in the global economy than more advanced ones. To this end, the parties will promote all kinds of initiatives such as the OECD Initiative on Global Value Chains (GVCs), Production Transformation and Development (hereafter Initiative): a global platform for peer learning, among others, trying to incorporate all continents and also the largest possible number of stakeholders.

² With the collaboration of **Xavier Fernandez Pons**, Public International Law's associate professor at the University of Barcelona.

Article 8

Customs Cooperation

1. The Parties will promote customs cooperation to improve and consolidate their trade relations, encouraging a customs tax law built based on customs cooperation that allows improving, consolidating and increasing trade relations between States. In addition, they may enhance the application of customs taxes applied to export operations as protection of internal supply.
2. The parties will strengthen their customs structures and improve their operation within the framework of inter-institutional cooperation.
3. Customs cooperation may take the form, among others, of:
 - a) Information exchanges.
 - b) Development of new techniques in the field of training and coordination of actions of international organizations competent in the field.
 - c) Exchanges of officials and senior officials of the customs and tax administrations.
 - d) Simplification of customs procedures.
 - e) Technical assistance.
4. The parties to this treaty undertake to respect the customs duties and taxes contemplated in multilateral and bilateral treaties and agreements, economic integration treaties or agreements, and national legislation.
5. The parties express their interest in proceeding in the future, to consider, in the institutional framework provided in this Agreement, the conclusion of a Customs Cooperation Protocol.

Article 9

Environmental Taxation

1. The parties will promote a green taxation system that encourages the use of less polluting energies, reducing the negative externalities that harm the environment.
2. The parties will cooperate to establish environmental fiscal policies that promote sustainable development aimed at:
 - a) Simplify the tax systems in terms of excise duties
 - b) Favour fiscal conditions for the promotion of renewable energies.
 - c) Interregional and international cooperation for the protection of the environment and the use of renewable energies
 - d) The promotion of environmental educational policies.
3. In general, the use of taxation for non-fiscal environmental purposes that promotes all types of exchanges, experiences, practices, regulations and standards, technical assistance and instruments that contribute to global environmental sustainability will be promoted.

Article 10

Resolution of Tax Disputes³

1. The parties shall cooperate to resolve disputes or doubts arising from the interpretation and application of agreements and conventions that provide for the elimination of double taxation of income and/or capital. They shall also cooperate to address issues referred to them by the agreement or the convention.
2. Where a person considers that actions of a state result or will result in taxation not in accordance with an agreement or a convention, he may, irrespective of the remedies provided by the domestic law of that State, present his case to the States party to the agreement or the convention affected by his case.
3. The states concerned shall acknowledge receipt of the complaint in a timely manner. They shall agree on the rules of functioning of the procedure. The rules of procedure may provide for the appointment of an advisory commission composed by a chair, their representatives and independent experts for the case where they fail to agree on a solution to the case after a reasonable period. The advisory commission shall deliver an opinion that will be compulsory if the States do not agree on a different solution in due time.
4. The parties shall communicate directly to solve the case. The person affected shall request to participate in a hearing or submit evidence or documents that shall be dealt with under the authority of the States. The person affected may appeal in accordance with national rules the decision of the States to reject his complaint, the non-appointment of the advisory commission or the absence of notification of a decision within a reasonable period.

Article 11

Systems combating Tax Fraud

1. The parties will promote the concepts of good tax governance and the importance of a corrupt-free and transparent tax system for economic development, fighting against corruption, money laundering and tax crimes. Law enforcement agencies and tax authorities will cooperate to counter corruption and bribery⁴.
2. The parties shall adopt minimum measures to combat tax avoidance and evasion, which aim not only to eliminate the tax advantages obtained through fraud, but also to identify and apply appropriate penalties and punitive action to the final beneficiaries, as well as to the professionals involved in the development and implementation of the corporate or financial structure for such practices⁵.
3. The parties will reinforce the capacity of jurisdictions to meet and to implement in practice their legal obligations arising from international Standards such as Financial Action Task Force (FATF), the UN Convention against Corruption (UNCAC), the UN Office on Drugs and Crime (UNDOC), the Council of Europe Criminal Law Convention on Corruption, the OECD Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions, the Standard for Automatic Exchange of Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and exchange of custom authorities information, the World Bank and the IMF prescriptions, amongst others, to detecting, tracking, and preventing illicit financial flows and every action and all kinds of actions aimed at money laundering, tax crimes and corruption, towards to the overall global transparency framework, with the cooperation of the stakeholders: competent authorities, public bodies, financial institutions and designated nonfinancial businesses and professionals. In particular, the parties will work for further facilitation of inter-agency Cooperation and exchange between authorities, using the sources available to tax administrations and FIUs and the use of new technologies⁶.

³ Article set by por **Juan López**, Officer to the European Commission. Ph.D. in law, expert in tax law and policy, in its regional, national, international and European aspects, with more than 25 years of experience in bodies in charge of fiscal and tax policies (Economic and Finance Ministry of the Spanish Government and the Commission Services). Tax Policy Adviser at European Commission.

* **Jeffrey Owens**, Project Good Governance and Transparency International Project



4. The States shall cooperate to eliminate legislative discrepancies which allow tax arrangements that result in double non-taxation, by fractionation of activities, profit shifting, or through the use of concept of tax residence for non-establish in any State where the company develop it activities.
5. The parties will promote the adoption of mechanisms and instruments to combat tax fraud, especially aggressive planning structures, included⁵:
 - a) Establishing a Common General Anti-Avoidance Rule allowing the authorities of a State Party to disregard corporate arrangements or legal acts practiced in another State Party that the sole purpose is remove or reduce the tax incidence.
 - b) Allowing the exchange of tax information about companies based in a State Party which regularly conduct business with companies or persons investigated for tax fraud in another State Party, upon the request of that State.
 - c) Establishing cooperation protocols in order to, pursuant to Article 4, obtain credits arising from sanctions or penalties imposed to the taxpayer of a State and that shall be executed by another Contracting State, jointly with their tax credits.

⁵ With the collaboration of Jorge Marcelino Junior

1 THE CODIFICATION AND PROGRESSIVE DEVELOPMENT OF THE INTERNATIONAL TAX LAW ON INTERNATIONAL TAX COOPERATION AND GLOBAL TAX GOVERNANCE, THROUGH A GENERAL AGREEMENT ON INTERNATIONAL TAX COOPERATION, TRADE AND GLOBAL TAX GOVERNANCE. A PROPOSAL.

In the previous pages, a proposal for a general agreement on international tax cooperation, trade and global tax governance is presented as the basis of a neural system of global international cooperation relations that prevails in the coming centuries to make effective the channels of tax cooperation between States of the world. The goal aspires to arbitrate solutions for sustainable development financing through a new architecture of global tax governance. It is a global policy-rule making proposal based on the same spirit of the United Nations Charter and is inspired by its iconic and global motto:

“We the peoples”

Through this proposal for a general agreement, we try to tilt the pendulum towards the G-193 as a representation of practically all the world States, promoting international tax cooperation, international trade, and global tax governance as ways of financing sustainable development the planet.

With this global policymaking proposal, the role of the United Nations is strengthened as a body that codifies and progressively develops public international law (article 13 of the United Nations Charter). Moreover, in cooperation and tax governance, this international organisation also assumes the proper role to set the broad bases of a future framework agreement or general agreement on the subject.

Nowadays, more than ever, immersed in a post-COVID-19 economy and stunned by Russia's invasion of Ukraine, in Russia *versus* NATO struggle, the need to rescue the spirit of the San Francisco Charter emerges; we should go back over the residue left by Declarations such as the St. James Palace Declaration in June 1941 and the United Nations Declaration of January 1942, the Atlantic Charter of 1941 (the great principles that presidents signed in their day Roosevelt and Churchill), the Tehran and Yalta Conferences (1943 and 45 respectively), and the Dumbarton Oaks Summit in Bretton Woods, all signed in the development of the bloodiest and most massive war of all time and that brought times of prosperity, development and future. And even more, return to the European Agreement that prevailed for the redistribution of Europe where the principle of peaceful cooperation would be established without any fissure ([Andrés-Aucejo, E.](#)).

It seems necessary to draw the new architecture designing the bases of a new world discipline, such as global tax governance and not build randomly, at the mercy of chrematistic, partisan or discretionary interests, at the service of specific economic policies at certain moments in its political history.

Therefore, it should be necessary to change the mentality that leads to a new global legal order that includes a new conception on international tax cooperation relations and good global governance. And United Nations is the World Organization that holds the "institutionalized international cooperation" among its functions following the UN Charter ([Andrés-Aucejo E., 2020](#)).

Indeed, the United Nations is the international organization that has institutionalized international cooperation among its purposes and objectives ([United Nations Charter and resolution 2625](#)). The G-77 and not only the G-20 have a significant specific weight. And much less the G-7.

The United Nations is the global forum where all the countries have a voice and a vote. Therefore, there is no need for inclusive regulatory platforms where only a few states

create rules and not all are represented. The United Nations is the international organization where the interests of the entire planet are collected, whose States, all of them, here yes, have the capacity to negotiate and sign.

The United Nations is the international forum where there is a supreme body, the General Assembly, with the capacity to reach global agreements either through the Assembly itself or by calling international conferences, where new global regulations are designed, through an orderly process of codification and progressive development of International Law, which not only.

Therefore, it is contradictory to create laws for "the peoples" without "the peoples." Therefore, world regulations require "world parliaments", and the only "world parliament" (metaphorically speaking) is the United Nations General Assembly (not without limitations).

We, therefore, conclude that there is a need for a change in world mentality and for a new global legal system that embraces the bases of a new general agreement or a framework agreement on international tax cooperation and tax governance. With this, the role of the UN is reaffirmed as a priority role for the creation of a global framework agreement on international tax cooperation and global tax governance, due to the following characteristics: its functions of codification and progressive development of International Law (Article 13 Charter); its well-known facet as a body in charge of institutionalized and permanent international cooperation that includes practically all the countries of the world (art. 103 Charter). In addition, the UN is the international organization in charge of the coordination of States and International Organizations, as it has been attributed to it because of Article 1.4 of the Charter of the United Nations. A body that houses the purposes and principles of the world order (arts. 1.3 and 2 of the UN Charter) developed by General Assembly Resolution 2625 (XXV) where the "Principle of Peaceful Cooperation" is typified for the global of the towns. Principles that constitute the most authoritative formulation of the fundamental principles of International Law (F. Mariño).

2 THE IMMINENT AND INCREASINGLY PRONOUNCED NEED FOR THE FINANCING OF SUSTAINABLE DEVELOPMENT (OWENS, J., LENNARD, M. ANDRÉS-AUCEJO, E., 2020)¹

The sustainable development is a pending issue in the world, also in the world of the second globalization in which we live. And everything seems to indicate that such severe global crisis of health, military, economic, social, migratory, humanitarian nature, etc., make it increasingly difficult for us to set the north towards the financing of sustainable development.

Nothing new we are discovering highflying that the latest trends in sustainable development emphasize the relevance of financing issues in achieving the planet's sustainable development goals.

“Funding the SDGs is an economic and ethical imperative with major implications for taxation. Countries themselves need to raise more revenue in an equitable way. And the entire international community needs to eradicate tax evasion and tax avoidance”.²

¹ The content of this section has been mainly translated for this article from the Spanish language (Owens, J., Lennard, M. Andrés-Aucejo, E., 2020).

² Cristina Lagarde, Managing Director of the IMF. <https://www.oecd.org/tax/countries-must-strengthen-tax-systems-to-meet-sustainable-development-goals.htm>

The United Nations Inter-Agency Task Force on Financing for Development³ warns that the mobilization of sufficient funding continues to be the greatest challenge for the implementation of the 2030 agenda for sustainable development.⁴ However, despite the signs of progress and the despite the work carried out to date, the critical investments to achieve the sustainable development goals are still underfunded, as this body shows, which also affirms that the interest in sustainable financing is growing. Again, the transition to sustainability in the financial system is not occurring at the required scale.

The Secretary-General of the United Nations, António Guterres, highlights the need to undertake strategies and an integrated financing system to achieve sustainable development. In his own words: "Given these broad trends, it is clear that the world will not achieve the Sustainable Development Goals without a fundamental shift in the international financial system that enables us to address urgent global threats and restore trust in international cooperation"⁵ (...) Unfortunately, as the Secretary-General himself stated in 2019 "Although there is progress to report on financing for sustainable development since the adoption of the Addis Ababa Action Agenda in 2015 it is not happening "at the required scale, nor with the necessary speed".⁶

From the first months of 2020, the world faces a new world crisis derived from the COVID-19 disease. The UN Secretary-General warns that the socio-economic impact of the coronavirus pandemic (COVID-19) requires a large-scale, multilateral response that represents at least ten percent of world GDP to put counter-walls in "the worst crisis since World War II".⁷ "The outbreak of COVID-19 has become one of the largest threats to the global economy and financial markets in history" (Carola VALENTE & Federico VICENTI, 2020).⁸

An alarming international environment arises because of the worldwide COVID-19 epidemic requiring relevant challenges. Nowadays, even more, the financing of sustainable development is possibly, the driving force behind the new globalization. Global economic governance will have to be restored when this global crisis is overcome.

The report on Financing for Sustainable Development 2020 (days ago published) by the Inter-Agency Working Group on Financing for Development⁹ contains severe warnings

³ Report of the Inter-Agency Task Force on financing for development: Financing for Sustainable Development Report, UNITED NATIONS, 2019, p. xvii.

⁴ Financing on Sustainable Development is one of the most prominent fields of the Department of Economic and Social Affairs. The branch of the United Nations Department of Economic and Social Affairs Financing includes different sections such as FFD forum, Addis Ababa Conference, Tax Cooperation; Capacity building; the Inter-institutional Task Force on Financing for Development, etc. (<https://www.un.org/esa/ffd/>).

⁵ FOREWORD, Report of the Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development Report, 2019, UNITED NATIONS, 2019, p. iii.

⁶ FOREWORD, Report of the Inter-Agency Task Force on Financing for Development, Financing for Sustainable Development Report, 2019, UNITED NATIONS, 2019, p. iii.

⁷ "La recuperación de la crisis del COVID-19 debe conducir a una economía diferente. Todo lo que hacemos durante y después de la crisis debe enfocarse en construir economías y sociedades más equitativas, inclusivas y sostenibles que sean resistentes a las pandemias, al cambio climático y los otros muchos desafíos globales a los que nos enfrentamos" (declaraciones del Secretario General de la ONU, fechadas el 31 de marzo de 2019). Source: REDACCIÓN | EFE 01/04/2020 14:16 (La Vanguardia/ Economía).

⁸ "Hence, multinational groups -as they operate in different jurisdictions, geographical areas and markets -are confronted with the need of developing effective business planning in order to minimise the economic impact of the pandemic, as well as to ensure the normal operation of their business" (Carola VALENTE & Federico VICENTI, 2020).

⁹ The 2020 Financing for Sustainable Development Report of the Inter-agency Task Force on Financing (<https://developmentfinance.un.org/fsdr2020>). It is also accessible:

- Summary by the President of the General Assembly of the High-level Dialogue on Financing for Development (New York, 26 September 2019) A/74/559, 21 November 2019.
- Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development Report of the Secretary-General, A/74/260 30 July 2019.
- International financial system and development Report of the Secretary-General**A/74/168 15 July 2019.

about the consequences of the health crisis stemming from COVID 19 on financing sustainable development. There is maximum concern that the results of COVID-10 could derail funding for the Sustainable Development Goals and the Addis Ababa Action Agenda.

The losses of the world stock markets, massive destruction of employment, setbacks in national income, and in general, the negative impact on monetary and economic macroeconomic variables, it gives a glimpse of a very worrying scenario.¹⁰ Hence, the recently issued 2020 Report proposes a package of measures related to avoiding a public debt crisis, injecting liquidity into financial markets, among other measures aimed at not reversing the trend of financing sustainable development and affecting both the public sector, like the private sector and third sector, in the short and medium-term.

All of the above leads us to pay attention to the primary role of national and international taxation as one of the main sources to achieve global sustainable development. In this sense, the Addis Ababa Action Agenda reports the relevance of taxation (domestic and international) and international tax cooperation, as well as the need to eliminate international tax fraud, capital evasion, and illicit financial flows, to achieve the planet's sustainable development goals.¹¹ The ECOSOC highlights the relevance of strengthening of fiscal regimes, including both fiscal policies and their management, as a priority key of the 2030 Agenda and the Addis Ababa Action Agenda.¹² This body has consistently advocated the need for international cooperation in tax matters. The resolutions of the United Nations Committee of Experts on International Fiscal Cooperation and also the UN General Assembly resolutions reflect the need to promote efficient and effective tax systems that allow maintaining levels of public and private investment, as well as fighting against tax evasion in an environment of enhanced international cooperation.¹³

Towards these ends, the Platform of Experts on International Tax Cooperation,¹⁴ made up of the United Nations, the OECD, the Monetary Fund, has been created in recent times. International and the World Bank. "Major international organisations - including the

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- Financing SDGs 4, 8, 10, 13, and 16 Perspectives from the 2019 Financing for Sustainable Development Report; Summary by the President of the Economic and Social Council of the forum on financing for development follow-up, including the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 15–18 April 2019) A/74/87*-E/2019/71*-13.

¹⁰ See BALDWIN, R., B. WEDER DI MAURO (Eds.) (2020); DRAGHI, M. (2020); BOSCA, J. E., FERRI, D. J. (2020); DURÁN, J. M., ESTELLER, A. "Coronavirus y Finanzas Públicas", IEB, n. 32, 2020.

¹¹ A/RES/69/313

¹² The ECOSOC calls a meeting on international cooperation in tax matter, April 13, 2017, New York.

¹³ ECOSOC resolution 2004/69 on "Committee of Experts on International Cooperation in Tax Matters" (E/2004/INF/2/Add.3, page 14) – 11 November 2004; ECOSOC resolution 2006/48 on "Committee of Experts on International Cooperation in Tax Matters" (E/2006/INF/2/Add.1, page 160) – 28 July 2006; ECOSOC resolution 2007/39 on "Committee of Experts on International Cooperation in Tax Matters" (E/2007/INF/2/Add.2, page 5) – 4 October 2007; ECOSOC resolution 2008/16 on "Committee of Experts on International Cooperation in Tax Matters" (E/2008/INF/2/Add.1, page 44) – 24 July 2008; ECOSOC resolution 2010/33 on "Committee of Experts on International Cooperation in Tax Matters" (E/2010/INF/2/Add.1, page 152) – 23 July 2010; ECOSOC resolution 2011/23 on "Committee of Experts on International Cooperation in Tax Matters" – 27 July 2011; ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/RES/2012/33) – 27 July 2012; Draft ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/2012/L.30) – 25 July 2012; ECOSOC resolution 2011/23 on "Committee of Experts on International Cooperation in Tax Matters" – 27 July 2011; ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/RES/2012/33) – 27 July 2012; ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/RES/2013/24) – 24 July 2013; ECOSOC decision 2013/239 on "Dates and provisional agenda for the ninth session of the Committee of Experts on International Cooperation in Tax Matters" 24 July 2013; Draft ECOSOC decision on "Dates and provisional agenda for the ninth session of the Committee of Experts on International Cooperation in Tax Matters" (E/2013/L.39) – 23 July 2013; Draft ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/2013/L.22) – 10 July 2013; Note by the Secretary-General on "Appointment of 25 members to the Committee of Experts on International Cooperation in Tax Matters" (E/2013/9/Add.10) – 28 June 2013; ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/RES/2013/24) – 24 July 2013; ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/RES/2014/12) – 13 June 2014; ECOSOC resolution on "Committee of Experts on International Cooperation in Tax Matters" (E/RES/2017/2) – 5 October 2016; ECOSOC resolution on "United Nations code of conduct on cooperation in combating international tax evasion" (E/RES/2017/3) – 20 April 2017.

¹⁴ <https://www.oecd.org/tax/countries-must-strengthen-tax-systems-to-meet-sustainable-development-goals.htm>

IMF, OECD, UN and World Bank Group - today called on governments from around the world to strengthen and increase the effectiveness of their tax systems to generate the domestic resources needed to meet the Sustainable Development Goals (SDGs) and promote inclusive economic growth” (14/02/2018). (NICOLI, M., 2018), among many other actions of international organizations, associations, states and other stakeholders.

Thinking to promote a change of mentality that puts the north in a new international economic order with a holistic vision, today we present our proposal for a general agreement on international tax cooperation, trade and global tax governance through the following scheme:

- a) In issue 1 of the Review of International and European Economic Law, the first part of the Proposal for a Global Tax Governance and Cooperation Treaty will be presented. It includes its programmatic and articulated part that consists of the following items:

GENERAL AGREEMENT ON INTERNATIONAL TAX COOPERATION, TRADE AND GLOBAL TAX GOVERNANCE. *A PROPOSAL (PART I)*

Preamble

Article 1. Set of the general agreement

Article 2. Principles

Article 3. Proposals

Article 4. Scope

Article 5. International Administrative Cooperation in Tax Matters.

Article 6. International cooperation in administrative mutual assistance).

Article 7. Cooperation in international trade through commercial tax policies.

Article 8. Customs Cooperation.

Article 9. Environmental Taxation

Article 10. Resolution of Tax Disputes

Article 11. Systems combating Tax Fraud

- b) In number 2 of the Review of International and European Economic Law, the rest of the articles missing from the treaty will be completed, abounding in the preparatory works, the background and prior work of this draft general agreement.

GENERAL AGREEMENT ON INTERNATIONAL TAX COOPERATION, TRADE AND GLOBAL TAX GOVERNANCE. *A PROPOSAL (PART II)*

Article 12. Taxation of digital economy and global transfer pricing policies

Article 13. The taxpayers' rights in the domestic and international sphere

Article 14. Tax education and tax compliance

Article 15. The digitalization of tax administrations

Article 16. Taxation and Gender

Article 17. Alternative Dispute Resolution systems

Article 18. Extractive activities taxation

BACKGROUNDS

PREPARATORY WORKS

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