

ActionAid Priorities for the EU Platform on Tax Good Governance

ActionAid appreciates this opportunity to provide input for the priority agendas for the work of the Platform the coming years.

ActionAid's overall approach to tax is building on our role as a global activist organisation trying to convey the voice of marginalised people in developing countries. This approach is also our filter for prioritising the many agenda items relevant for the Platform.

1. Follow up on the Addis Tax Initiative....

The Commission's decision to renew the Platform includes a commitment:

“The Commission is a partner in the Addis Tax Initiative, a multi-stakeholder partnership initiated in 2015, aiming at **enhancing domestic revenue mobilisation** in developing countries to fund their development agenda and meet the Sustainable Development Goals by 2030. The Platform should continue to advise and assist the Commission in its ongoing work based on the Addis Tax Initiative.”

Follow up on the ATI is the key priority to ActionAid:

... includes a promise to support domestic resource Mobilization...

- The Platform should analyse and discuss how the EU and its member states can strengthen aid and other support to developing countries efforts to mobilize more revenues, including what the barriers are in EU policies that limits the ability of developing countries to strengthen resource mobilization.
- The EU and member states should consider how to support and promote progressive taxation reforms and resource mobilization initiatives that holds stronger contributions to the SDGs and marginalised people.

...and should include spill-over analyses and Policy Coherence for Development

- The Addis tax Initiative includes a promise to strengthen Policy Coherence for Development. This should include a stronger framework for analysing development impacts of EU tax policies.
- Spill-over analyses should be a key instrument to avoid and mitigate negative impacts of EU policies and end harmful tax practises
- Analysing double taxations agreements between members states and third countries to stop a raise to the bottom and contribute to increasing domestic resource mobilisation in developing countries
- Analyse and mitigate potential negative effects on developing countries of a Carbon Border Adjustment Tax

2. Corporate tax and digital taxation

- The commission has proposed initiatives for increased transparency through the Public CbCR directive that should be followed up on
- The commission has also proposed rethinking of corporate taxation in the EU through the CCCTB directive that should be further investigated and strengthened, also to strengthen cooperation at the EU level on tax between countries. We believe that opportunities for pursuing a genuine remodelling of the corporate tax system in the Union following the model of a unitary taxation should be analysed and discussed
- Rethinking of corporate tax is currently discussed in the OECD Inclusive Framework under pillar 1 and 2. These discussions, will probably spill over into the EU
- Particularly the issue of taxing big tech companies is important. We will focus on how initiatives in this area can be replicated in developing countries and avoiding negative spill-over effects
-

3. Global tax governance

- EU can play an important role in establishing a more inclusive global tax governance model with genuine and equal participation in decision making from developing countries. The Platform could contribute to analysing and proposing instruments for enhanced cooperation at global level as a Global Tax Body