

**JOINT MEETING ON TAX and DEVELOPMENT
BETWEEN THE COMMITTEE ON FISCAL AFFAIRS (CFA) AND THE
DEVELOPMENT ASSISTANCE COMMITTEE (DAC)
Wednesday 27th January 2010**

CO-CHAIRS' STATEMENT

On 27th January 2010, the OECD hosted a joint meeting of the Committee on Fiscal Affairs and the Development Assistance Committee, bringing together the tax and development communities for the first time.

Participants agreed on a set of general principles to guide follow up action:

- We acknowledge the urgent call for action from the developing world and the G20 to make progress in the field of tax and development.
- We accept the imperative of close cooperation to combat tax evasion and to work with the developing world to take advantage of the opportunities in the more transparent global environment.
- In our endeavour to work with developing countries and to organise the international response in the tax area, we will promote policy coherence across our governments--among tax, finance and development practitioners.
- We have a common understanding of the central role taxation plays in development and poverty reduction: a strong tax system is the heart of a country's financial independence, its revenues are the lifeblood of the state itself.
- We also agree taxation is more than just about revenue mobilization. The way in which revenues are collected and spent defines the symbiotic relationship between the state and its citizens, strengthening the former and making it more accountable to the latter.
- We agree that an ongoing and open dialogue, involving all stakeholders, can enrich our interaction to help developing countries.
- We encourage the range of international initiatives for dialogue and co-operation and we will seek an appropriate division of labour. In this respect the International Tax Dialogue could play a role.
- We acknowledge the important role that south-south co-operation has to play.

Participants also *recognised* the importance of the need to work together directly in capitals and with other relevant international institutions, and agreed to

- Explore the opportunities to develop a joint CFA-DAC programme in collaboration with the Global Forum on Transparency and Exchange of Information for Tax Purposes to assist developing countries to benefit from the more transparent global tax environment, including making it easier (e.g. through the multilateral TIEA) for developing countries to access information from other countries, with safeguards on confidentiality.
- Work together to support and help deliver the work programme of the recently created African Tax Administration Forum.
- Develop a programme, in the context of the OECD's work on multi-national enterprises, to improve transparency in the reporting of profits and tax payments.
- To support developing countries in applying transfer pricing principles to enable them to collect their fair share of tax.
- Intensify co-operation between tax administrations and other law enforcement agencies to counter illicit activities.

To *achieve* these goals and implement a coherent approach, engaging developing countries and other key stakeholders including NGOs, and business, participants *decided* to set up a Task Force on Tax and Development. This will convene in early 2010 as an informal group representative of all stakeholders, to develop clear and effective mechanisms for implementation and avoid duplication. The informal Task Force will begin by mapping out existing international efforts relating to tax and development.