**FORUM:** Group of Twenty Summit (G20)

**QUESTION OF:** Implementing Guidelines to Ensure Fair Tax Distribution in Multinationals

**MAIN SUBMITTER**: France

**CO-SUBMITTERS**: Brazil, Germany, Italy, Republic of Korea, USA, United Kingdom, South Africa, India, Saudi Arabia, Argentina, Mexico, China

THE GROUP OF TWENTY SUMMIT,

*Convinced* of the grave misjustice from aggressive tax avoidance, resulting in a huge loss of tax revenue for all nations involved, and this wealth being kept from those in need,

*Deeply concerned* by the same systems used by multinational enterprises (MNEs) also being used to launder billions of USD each year, making these multinationals complicit in shielding organised crime,

*Recalling* incidents like the Liechtenstein Tax Scandal (2008), the Paradise Papers (2017), and the Panama Papers (2016), which show clear faults in our financial systems,

*Taking note* of the two-pillar plan signed in 2021 already establishing a global tax rate and ensuring a fairer tax distribution, but uncertain about its effectiveness as a baseline,

1. Supports all member states to examine and reassess their taxing legislation, to locate loopholes and implement necessary amendments, putting current tax avoidance practices under tax evasion by:
	1. making these practices illegal, making them more susceptible to punishments,
	2. requesting supervision from OECD BEPS to monitor the nations’ progress in their examination and reassessment, as an unbiased third party,
	3. implementing and enacting the system at latest by 2025;
2. Stresses all nations to recognize how tax avoidance from MNEs have lasting negative impacts on the victim countries, especially on the relatively poor and underdeveloped economies that are unstable and more dependent on their tax revenues;
3. Requests the global minimum corporate tax rate to be raised to 25%, this being the global average tax rate, seeing most LDCs will not increase their tax rate above the current minimum since this would risk losing business, this increase in revenue will be supervised by the OECD, to ensure effective usage, so this wealth will not be lost to uneducated spendings or corruption;
4. Urgesall member states within the UN to implement public country by country (CbC) reporting system to improve multinationals' transparency, to reveal how much money multinationals are parking in tax havens, and to ensure that corporations pay tax where it is due by:
	1. following the Base Erosion and Profit Shifting (BEPS) Action 13 report (Transfer Pricing Documentation and Country-by-Country Reporting) which includes CbC Reporting Implementation Package that consists of:
		1. model legislation which could be used by nations to require the MNE group to file the CbC report in its jurisdiction of residence
		2. Model Competent Authority Agreements which could be used to facilitate exchange of CbC Reports, to share relevant data to implement necessary changes if needed
	2. requesting supervision from OECD-BEPS to monitor the multinationals’ progress in abiding by the CbC reporting system,
	3. providing small incentives to MNEs that follow the CbC reporting system and submit their tax records to OECD-BEPS, where the organisation can then request the adhering government to reward the corporations through methods such as but not limited to financial aids from the national revenue significantly increased through operational clause 5,
	4. implementing and enacting the system at latest by 2025;
5. Calls upon the creation of International Committee of Earnings Accessibility (ICEA) to create an approachable yearly report of the income and taxes of MNEs directed at consumers:
	1. this makes this information more accessible to consumers, allowing them to make more informed choices about which corporations they support,
	2. these reports will put pressure on MNEs by putting their practices in the spotlight, giving more reason to discontinue BEPS;
6. Encourages countries to implement measures for individuals to all of their taxes, including, but not limited to tax amnesty programmes and fines:
	1. the main purpose of the amnesty programme being to repay all of unpaid taxes,
	2. the additional fines may range between 6% and 15% of the individual his yearly income, depending on how much tax the person in question has avoided;
7. Strongly encourages the implementation of a destination-based system for corporate taxes wherein:
	1. multinational enterprises are required to pay taxes based on the location of the majority of their customers, which can be identified as:
		1. their location of residence
		2. the location of the bank card used by the customer
	2. multinational enterprises are required to report the primary location of their customer base to the OECD on a quarterly basis.