



Submission to the Independent Expert on Foreign Debt, Other Related International Financial Obligations and Human Rights Ahead of the 77th Session of the General Assembly

This submission has been prepared jointly by the Center for Economic and Social Rights, International Women's Rights Action Watch Asia Pacific, Centro de Derechos Económicos y Sociales (Ecuador), and Tunisian Observatory of Economy ahead of the Independent Expert's report to the 77th session of the General Assembly.

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1. What specific challenges in international tax governance call for reform? Why? Are there examples or initiatives in the past that might serve to guide this process?

One of the most important yet often understated roles of fiscal policy is to deliver on the human rights obligations of States towards their populations. Public coffers of global South countries are under immense pressure due to the compounding impact of climate emergency as well as the differing and long-term impacts of the pandemic including their recovery from it. UNCTAD recognizes the need for an additional annual allocation of \$3-5 trillion (at current exchange rate) in Special Drawing Rights to developing countries, if China and other emerging economies are included.¹ In fact, an additional \$1.7 trillion revenue shortfall for 2020 has been projected by the OECD to the existing annual financing gaps of \$2.5 trillion annually for developing countries.² For the African continent alone financing needs are expected to rise by \$154 billion due to the pandemic and by an additional \$285 billion for the next five years to ensure a just response to the pandemic.³ This has also meant that there is limited fiscal space with debt considerations taking priority through stringent conditionalities, including the implementation of austerity policies. Zambia became the first country to default on its debt in 2020, while Mozambique also slipped into a debt crisis in 2020 following scandals of corruption.⁴ In other global South countries

¹ UNCTAD (2020): The COVID-19 Shock to Developing Countries. https://unctad.org/system/files/official-document/gds_tdr2019_covid2_en.pdf

² OECD (2020) Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet. <https://www.oecd.org/development/global-outlook-on-financing-for-sustainable-development-2021-E3c30a9a-en.htm>

³ Remarks by Managing Director Kristalina Georgieva at the Summit on the Financing of African Economies, May 18th 2021. <https://www.imf.org/en/News/Articles/2021/05/18/sp051821-remarks-at-financing-african-economies-conference>

⁴ Pelz, Daniel (2020): Africa's Debt Crisis Grows Amid COVID-19 Pandemic <https://www.dw.com/en/africas-debt-crisis-grows-amid-covid-19-pandemic/a-55590042>

too, Pakistan and Sri Lanka have already undergone political regime change since the beginning of 2022 due to the gravity of the debt crisis.

These financing gaps are not just abstract technical problems unrelated to one another. They represent a shortfall of desperately-needed investments in goods and services which are essential to realizing people's human rights, especially in the most marginalized communities in the global South. Revenue mobilization through progressive taxation is a crucial part of the solution to this crisis, and indeed a necessary step for States to comply with their obligation to mobilize maximum available resources for the realization of economic, social and cultural rights. Currently, however, international tax governance arrangements hinder rather than help Global South countries in expanding their fiscal space in a manner which would enable them to resource rights more adequately. In particular, the persistence of tax havens and financial secrecy regimes despite commitments such as SDG target 16.4 to end illicit financial flows (IFFs), and a deeply unfair regime of international corporate taxation cry out for more concerted action and more equitable solutions which can tackle inequalities within and between countries.

In light of these global events, the African Finance Ministers adopted a resolution in May 2022 at the 54th session of the UN Economic Commission for Africa calling upon “the international community to undertake appropriate actions at the national, regional and global levels to ensure that illicit financial flows are treated as a system-wide challenge at the global level and that the international community adopts a mechanism for global coordination to systematically monitor illicit financial flows”.⁵ The Committee further urged the UN “to begin negotiations (...) aimed at eliminating base erosion, profit shifting, tax evasion, including capital gains tax, and other tax abuses.”⁶

2. What should be the nature, scope and purpose of an international tax reform that supports human rights? Which alternatives could be considered and how do they differ from each other and from existing efforts of better collection and regulation of international taxation, for example from the OECD/G20 Agreement achieved in 2021, and its Two Pillar Solution?

Any international tax reform must have as its central objective to enable and support all countries in mobilizing maximum available resources for the realization of human rights. All countries should be placed on an equal footing to set the standards and participate meaningfully in decision-making on issues related to tax matters to promote sustainable development, gender equality and human rights.⁷ Meanwhile, the international obligation of substantive equality found in the Convention on the Elimination of All Forms

⁵ See Report on the Meeting of Committee of Experts (2022): <https://papersmart.uneca.org/download/4666>

⁶ Ibid.

⁷ See <https://derechosypolitica.fiscal.org/en/>

of Discrimination Against Women (CEDAW) can be used to analyze and frame gender responsive economic policy.⁸

The recent global tax agreement brokered by the OECD and G20 falls short of aligning with human rights principles of representation, non-discrimination, non-retrogression, substantive equality, participation as well as redistribution and the obligation to cooperate internationally to realize human rights.⁹ Many African countries like Algeria, Ghana, Uganda and Zimbabwe for example, continue to not be a part of the Inclusive Framework under which this agreement was conceived. An analysis by the South Centre Tax Initiative pointed out that while the decision-making process on tax purposes under the Inclusive Framework has a two-layer structure, there is a lack of transparency in how different country interests are balanced due to the “overrepresentation” of certain jurisdictions.¹⁰

In essence, the agreement aims to tackle two issues: Pillar I which looks into reallocation of profits to market jurisdictions in order to bring companies under the tax net that are without a physical presence. Pillar II on the other hand aims to tackle profit shifting to low or no tax jurisdictions otherwise commonly known tax havens by introducing a global minimum tax. This submission will largely focus on highlighting issues under the Pillar II framework.

To begin with, the 15% threshold proposed under Global Anti-Base Erosion Model Rules (GloBE) or Pillar II has been criticized for being too low to effectively deter large-scale tax abuse, or to make a meaningful difference in enabling global South countries to mobilize the resources needed for their populations. There is a risk that this agreed “minimum” rate will become a ceiling when it is well below the statutory or effective rate of many countries. For low-and middle-income countries to actually benefit from a global minimum tax, the threshold needs to be increased to 25% at least, as has been noted by the High Level Panel on International Financial Accountability, Transparency and Integrity (FACTI) for Achieving the 2030 Agenda.¹¹ The African Tax Administration Forum (ATAF) expressed similar concerns by advocating that the minimum rate should at least be raised to 20%.

The Model Rules released by the OECD on Pillar II in December 2021 have been criticized “for being overly complex” which introduced a domestic minimum top-up tax (DMTT) over and above the income inclusion

⁸ CESR and IWRAP-AP, COVID-19: Recovering Rights series Topic 8, substantive equality https://www.cesr.org/sites/default/files/Brief%208%20Gender%20Equality_0.pdf

⁹ CESR, COVID-19: Recovering Rights Series Topic 2: international cooperation https://www.cesr.org/sites/default/files/Issue%20Brief%202_.pdf

¹⁰ South Centre Tax Initiative (2020): Assessment of the Two Pillar Approach to Address the Tax Challenges Arising from the Digitalization of the Economy <https://www.southcentre.int/wp-content/uploads/2020/12/Assessment-of-the-Two-Pillar-Approach-to-Address-the-Tax-Challenges-Arising-from-the-Digitalization-of-the-Economy-reduced.pdf>

¹¹ FACTI Panel (2021): Report of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c_FACTI_Panel_Report.pdf

rule (IIR) and the undertax payment rule (UTPR).¹² The DMTT in itself does not contribute towards eliminating profit shifting behavior. Further, the framework only allows backup taxing rights to host countries in the form of UTPR which is applicable only in certain circumstances. In fact, home jurisdictions¹³ who will apply IIR are allowed to impose additional taxes beyond the scope. As pointed out by Prof. Wilde’s analysis, discouraging UTPR jurisdictions from implementing additional taxes is a systemic flaw and violates the principle of equality in treatment since this would affect the taxing ability of smaller economies who have signed up to this agreement.¹⁴ There is a clear prioritization that taxing rights will be awarded to the residency of a top parent entity that are likely to be based out of low or no tax jurisdictions or tax haven conduits over countries where real economic activities take place (most likely a Global South country).¹⁵

From the perspective of many Global South countries, the annual turnover of €750 million required for a multinational corporation in order to qualify under Pillar II is too high and should be lowered. Multinational companies (MNCs) with an annual turnover less than €750 million will therefore be unaffected by the GLoBE rules. This means that a host of companies who may have a sizable economic presence to the region in question will be left out. Deciding on such a high threshold without taking into account regional GDPs is questionable. Countries should retain the right to decide which parts of Pillar II they wish to implement or abandon as well as introduce new mechanisms that work best for them without having to cede their sovereign decision-making space. It is impractical to expect countries to implement these rules without ensuring that they undergo appropriate constitutional scrutiny.¹⁶

The inclusion of “employees” as a parameter in the formula to calculate the UTPR under GloBE is an important one from a labor rights perspective. This expanded definition of “employees” under UTPR includes independent contractors more closely reflects the true scope of real economic activities being conducted by an MNC in a said jurisdiction. More than just including the number of employees, the ‘location’ of those employees is important as it establishes the economic presence of that particular company. However, whether or how much are gig workers actually included in this definition has not been made clear by the Model Rules thus affecting the amount allocated under UTPR to a source jurisdiction (a Global South country likely). Most platform companies characterize their workers—tied in precarious,

¹² CESR (2021): Half Measures Global Digital Tax Proposals Fall Short of Realizing Human Rights.

https://www.cesr.org/sites/default/files/2022/Half_Measures_-_Working_Paper_CESR.pdf

¹³ Home or residence jurisdictions have been used interchangeably in the submission.

¹⁴ Wilde, de Maarten (2022): On an animal farm and ‘equality, however’ according to the Pillar 2 Commentary <http://kluwertaxblog.com/2022/03/15/on-an-animal-farm-and-equality-however-according-to-the-pillar-2-commentary/>

¹⁵ BEPS Monitoring Group (2021): Comments on the Model Rules for a Global Anti-Base Erosion Minimum Corporate Tax

<https://static1.squarespace.com/static/5a64c4f39f8dceb7a9159745/t/62040a2b0b8b2c54a4fba13/1644431916152/BMG+comments+on+GLOBE+Model+Rules.pdf>

¹⁶ OECD Public Consultation Meeting: Implementation Framework of the Global Minimum Tax (2022)

https://www.youtube.com/watch?v=LtjplnZTydE&ab_channel=OECDTax

low-paying and uninsured jobs — as service providers, partners, independent contractors or micro-entrepreneurs — all of which are a gross distortion of their working reality.^{17,18} These relations, along with the profits derived from these workers, must be included in any comprehensive international tax regime with a view to ensuring that the benefits of such a regime confer to everyone in the source countries, including those workers that are often invisibilized or marginalized from fiscal policy making spaces (including women, indigenous, and migrant workers).

3. What would be the advantages/disadvantages of a single global tax entity? How would a global tax body ensure equal representation of the interests, needs and concerns of different States, particularly low and middle-income countries? What would be the advantages/disadvantages of regional fiscal or tax entities?

Regional tax forums have played a leading role in strengthening cooperation on matters related to international tax and illicit financial flows apart from coordinating capacity building and skill sharing needs of global South countries. In the absence of a pan-regional tax forum that focuses on the region's development needs, Asia-Pacific lacks the political momentum to tackle IFFs or the existing secrecy jurisdictions. Coincidentally the region also has a high proportion of under-regulated traditional tax havens, special economic zones¹⁹ and international financial services centers that have been modeled after influential secrecy jurisdictions like Dubai and Hong Kong. Unfortunately, several proposals made by the UN Economic and Social Commission for Asia-Pacific secretariat over the years to create a region-wide space on strengthening regional tax cooperation have received massive pushback from member states.

In our view, any entity that aims to drive the mandate on reforming the international tax rules must be in line with human rights principles (including substantive gender equality) and international law. “The absence of redistributive justice redirects negative impacts on the shoulders of women. Regressive taxation measures and IFFs (especially corporate tax abuse and tax havens, as stated by the CEDAW Committee) reduce the fiscal space for governments, who then are not able to spend the maximum amount of resources to ensure gender equality and women’s human rights.”²⁰

¹⁷ Sakshi Rai (2021): Platforming Workers Rights in Global Tax Deals. Center for Economic and Social Rights. <https://www.cesr.org/platforming-workers-rights-global-tax-deals/>

¹⁸ An investigation by the Centre for International Corporate Tax and Accountability Research showed that service fees collected from users and Uber workers (drivers and couriers) for using the technological platform are in fact royalty payments used to shift and report incomes in the Netherlands. The multinational was found to be using a complex web of Dutch shell companies to shift profits out of countries, thus effectively undermining revenue that should be used for public services and realizing human rights.

¹⁹ Mekong Migration (2019): Jobs in SEZs <http://www.mekongmigration.org/wp-content/uploads/2019/09/Jobs-in-SEZs-23-Sep-2019.pdf>

²⁰ See Campaign of Campaigns <https://www.campaignofcampaigns.com/index.php/en/un-tax-convention>

4. What measures and mechanisms should be put in place to ensure that a global tax entity incorporates human rights principles and priorities in its processes and outcomes?

The international human rights system must be an essential component of an international tax governance system. The two regimes must not be siloed and the human obligations of States must be incorporated into a new global tax regime. This would be a benefit of hosting a global tax entity under the auspices of the UN, as human rights are one of the three “pillars” of the UN and central to the UN Charter.

Human rights obligations informing a global tax entity should focus towards mobilizing maximum available resources towards the realization of economic, social and cultural rights, the right of peoples’ to self-determination and the obligation to eliminate all forms of discrimination be it on the basis of race, sex, gender or other grounds. To this end the obligations in the ICESCR which require states to cooperate internationally to realize the economic and social rights of those beyond their borders is key in establishing a more equitable international tax regime. In particular, countries have “extraterritorial obligations” which mean they must not act in ways (either unilaterally or through international institutions like IFIs) which constrain the fiscal space of other countries to realize rights. The preamble to CEDAW itself includes a recognition that “the establishment of the new international economic order based on equity and justice will contribute significantly towards the promotion of equality between men and women”. The fiscal impact of illicit financial flows and other insidious tax practices considerably weakens the ability of states especially those in the Global South to invest in fundamental rights such as education, healthcare and social security.

Finally, a global tax entity must be consistent with the establishment of a just and equitable international economic order which the Special Rapporteur on Racism has recognized as an essential component for eliminating contemporary structures of racial discrimination which are rooted in slavery, colonialism and apartheid.²¹ This means the effective and meaningful participation of countries in the global South (most of whom are formerly colonized states) is achieved and measures are taken to guard against any neo-colonial dynamics.

5. What would be the arguments in favor of a UN Convention on Tax? What would be the benefits of such an instrument for developing countries, including Small Island Developing States and Least Developed Countries?

A UN Convention on Tax would be a big step forward in bringing norm and standard-setting on international tax matters under the auspices of the UN - where all States have an equal “seat at the table”. One of the key benefits for global South countries is that the UN Convention would “level the playing field” on international tax matters. Given the centrality of human rights to the UN Charter, a UN Convention would also need to recognize international human rights law as a crucial foundation, as global

²¹ See Report on Reparations for Racial Discrimination <https://daccess-ods.un.org/tmp/8454769.84977722.html>

economic governance institutions often do not. It would allow the harmonization of public or private law standards in financial, accounting, tax or fiscal matters with the normative framework of international human rights law.

For any UN Convention on Tax to be a real benefit for the populations of the global South, human rights obligations enshrined in treaties would have to be meaningfully cross-referenced and incorporated. These include obligations such as substantive equality and non-discrimination, maximum available resources, and international cooperation/extraterritorial obligations. The UN Convention on Tax should recognize, first and foremost, that the realization of human rights must be a fundamental objective of fiscal policy and that the obligations of States to respect, protect and fulfill human rights demand a proactive role for the State and must guide tax decision-making. The recently-adopted Principles for Human Rights in Fiscal Policy (based on a thorough analysis and interpretation of how human rights law should apply to fiscal policy) provide important guidance in this regard.²²

The Convention should enable and support progressive tax reforms with a gender and environmental approach, which includes taxes on large fortunes, inheritances, capital gains and surplus profits from certain sectors benefited in this context (extractive activity, digital services, pharmaceuticals, etc.). Another crucial objective of such a Convention would be the recovery of assets lost due to tax abuse and IFFs, including through the strengthening of measures to achieve financial transparency such as: the automatic exchange of information on financial, corporate and commercial matters including public country-by-country reporting by MNCs and public beneficial ownership, among other measures, as a result of greater cooperation between countries that strengthens the capacity of control agencies, that go beyond the current standards.²³ The capacity of the judicial systems of the countries and of the National Human Rights Institutions to deal with fiscal policy and the crimes generated from it could also be strengthened. The UN Convention should also prohibit any provision, law or rule that governments may take that goes against the human rights obligations of a country party to the Convention.

6. In recent months, there has been a stronger call for a Global Beneficial Ownership Registry. What should be the process and mechanisms to achieve this goal? What measures or considerations are needed to ensure that such a registry is framed along human rights principles? What practices, legislation or policies at the national or regional level might serve as good references?

Individuals engaging in illicit activities often seek to hide or offshore their wealth and assets by creating a corporate or a legal personality using fictitious schemes or arrangements. For a global beneficial

²² Principles for Human Rights in Fiscal Policy

[https://www.cesr.org/sites/default/files/2021/Principles for Human Rights in Fiscal Policy-ENG-VF-1.pdf](https://www.cesr.org/sites/default/files/2021/Principles%20for%20Human%20Rights%20in%20Fiscal%20Policy-ENG-VF-1.pdf)

²³ LATINDADD and CDES (2022): América Latina y el Caribe frente a las secuelas de pandemia y guerra: “Llueve sobre mojado”. Recomendaciones de la sociedad civil en el marco de Financiamiento para el Desarrollo.

ownership register to function effectively, the underlying requirement of mutual cooperation among countries will have to be established and nurtured. Additionally, there would have to be consensus over how countries define an “ultimate beneficial owner” (UBO) and more importantly if this initiative would require setting up an independent body overseeing the global registry to maintain format, enforce mandatory disclosure requirements and ensure an appeal process. Apart from disclosing information on UBOs, income cash-flow statements, balance sheets of businesses and their affiliates, and the names and residence of shareholders must also be made available.

Adhering to the human rights principles of democratic representation, transparency and accountability, an openly accessible register on UBOs must include information on direct or indirect control, influence, voting rights or significant interest by a natural person(s) through contract or otherwise is essential in combating tax abusive, money laundering and other illicit practices in a machine-readable format. It should be noted that as brokers, accountants and other intermediaries are involved in trading securities and bonds in financial markets, it is still hard to pin down who the UBOs are behind these transactions.

Many countries have functional central registers on different assets and land in place. Countries like the UK have made considerable progress in coming up with a public UBO register but it is yet to include English Limited Liability Partnerships which have been used as a secrecy instrument. As a G20 country, Argentina’s legal framework, introduced in 2020, on furthering corporate transparency of legal entities includes companies (affected assets and holdings), partnerships, associations as well as different classes of investment funds (private securities, shares, quotas and other participations) despite the register not being open to public scrutiny.²⁴ India too uses a wider definition to determine a beneficial owner using the criteria of “significant beneficial interest”. In our view, a public register on ultimate beneficial ownership must cover all legal entities, instruments and arrangements like companies (listed/unlisted, assets or holdings), foundations, trusts, associations (unincorporated/ incorporated or body of persons), different classes of investment funds, cooperative societies and limited liability partnerships. It is further recommended that the threshold for identifying a UBO should be at zero as any other threshold would be susceptible to abuse.

As illicit financial flows have a cross-border component to themselves, this means that even international illicit financial transactions are carried out through the SWIFT messaging system: “a secure communications protocol used amongst thousands of banks to communicate and authorize credits or debits of accounts”.²⁵ Evidence from numerous past scandals like the Russian Laundromat have shown us that accounting movements are not always decided on the basis of “economic reality” but on the basis of

²⁴ See <https://www.boletinoficial.gob.ar/detalleAviso/primera/227833/20200415>

²⁵ Andres Arauz (2020): Technical Module: The Role of Banks in Latin America as a Facilitator of Illicit Financial Flows. https://www.cbgaindia.org/wp-content/uploads/2020/03/Module-5_Technical-Module_The-Role-of-Banking-in-Latin-America-as-a-Facilitator-of-Illicit-Financial-Flows.pdf

jurisdictions selling the highest levels of secrecy.²⁶ Therefore, the cross-border characteristic of IFFs is built on the conventions established by the international banking correspondence system, with the US dollar being the dominant currency being used.

More importantly, banks that undertake accounting movements via jurisdictions based on convenience as a matter of fact should be regarded as illicit too and must be recognized as enablers of IFFs. SWIFT which has often been used by the US to detect money laundering or terrorist financing activities, does not necessarily share this information readily with the enforcement agencies of global South countries. A huge part of timely detection of cross-border IFFs is useful in recovering hidden assets and wealth for that country. Financial secrecy at this point is deliberately being maintained by international banks, financial institutions and other rule-making bodies to keep countries from being able to access real time tax and financial information and take prompt action on jurisdictions comporting as ‘safe havens’.

In a step towards transparency, we also recommend that any international transaction using the SWIFT messaging system must include information on the UBO.²⁷ International cooperation on matters of IFFs and in particular tax abuse must bridge geopolitical differences in how information is shared with global South countries. In that regard, a global beneficial ownership register will aid cross-border law enforcement agencies to recover stolen assets effectively and timely. The FACTI Panel report recommends that Member States should consider expanding public beneficial registries into public asset registries as the next step towards emboldening transparency.²⁸

7. For a number of years, linked to various global reports from investigative journalists’ consortiums, including the most recent “Pandora Papers”, there has been a call to better monitor and regulate the activities of some financial advisors, and other professionals, such as lawyers, accountants and notaries, as part of enhancing mechanisms to address tax evasion, tax fraud and corruption. Are there practices, legislation or policies at national or regional levels that could serve as good examples? Are there case studies that could be considered for this report?

Accountancy reforms such as public country-by-country reporting can reveal how and where multinational corporations pay their taxes and actually end up reporting their incomes. This information can shed light on where companies operate on the basis of employees, users, sales etc. even without

²⁶ OCCRP (2017): The Russian Laundromat Exposed. <https://www.occrp.org/en/laundromat/the-russian-laundromat-exposed/>

²⁷ Andres Knobel (2019): Data on Bank Transfers: Complementing Automatic Exchange of Information and Detecting Illicit Financial Flows in Real Time. Tax Justice Network <https://taxjustice.net/wp-content/uploads/2019/07/Swift-proposal-2019-Tax-Justice-Network.pdf>

²⁸ FACTI Panel (2021): Report of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c_FACTI_Panel_Report.pdf

necessarily having a physical presence in that particular jurisdiction, allowing market jurisdictions to reclaim their right to tax digital companies. The Principles on Human Rights in Fiscal Policy²⁹ recommend that a) "commercial Banks, financial institutions, financial services providers, tax lawyers, and accountants must exercise due diligence with their clients and should not participate in business activities that have the principal activity of facilitating tax evasion and avoidance. These actions undermine the enjoyment of human rights. Industry and profession-specific guidelines should be developed to ensure compliance"; b) they also call for "companies to refrain from contracting, or if necessary sanction, those who facilitate fiscal abuse, such as lawyers and accountants."; c) financial institutions must be "held accountable for their role in facilitating tax evasion and avoidance."; d) in cases of non-compliance, license or registration must be withdrawn and these institutions must be subject to effective monitoring systems. Further, "the regulation and supervision of banks should include requirements regarding client identification, the establishment of registries and accounting records, and the reporting of suspicious transactions, both internally and externally."

National Case Studies

India - Transparency in Political Financing and Right to Information

Centered around public interest, the Right to Information (RTI) law is a powerful tool to hold governments accountable and is often used by public prosecutors, journalists and common citizens to realize social justice and assert their democratic space. Political parties, for example, are financed through electoral trusts in India registered as not-for-profit entities. These essentially provide a high degree of opacity in how political parties are funded. "In 2014, an RTI application made to the Income Tax (IT) department on behalf of the Association for Democratic Reforms (ADR), a nongovernmental organization, sought disclosure of the names and addresses of all the Electoral Trusts and other charitable trusts formed from Assessment Year 2003-04 and 2013-14. The application also sought audit reports, the details of contributions received by electoral trusts and distributed to the political parties as well as the terms of income tax exemptions as claimed by these trusts."³⁰ The IT department rejected the application on the grounds that this information was withheld in a fiduciary capacity. ADR challenged this decision arguing that electoral trusts in fact have a legal duty to furnish this financial information as a matter of public interest. The privacy grounds cited by the IT department applied to natural persons and not legal persons. They further argued that "political parties be treated as public authorities" and should therefore be brought under the RTI Act. Upon review, the Central Information Commission ruled in favor of the appeal, arguing that electoral trusts in fact do serve a public function and financing of political parties should not

²⁹ CESR (2021): Principles for Human Rights in Fiscal Policy.

https://www.cesr.org/sites/default/files/2021/Principles_for_Human_Rights_in_Fiscal_Policy-ENG-VF-1.pdf

³⁰ Financial Transparency Coalition (2020) Addressing Illicit Financial Flows: National, Regional and Global Interventions https://financialtransparency.org/wp-content/uploads/2020/03/Module_4_Addressing_Illicit_Financial_Flows_National_Regional_and_Global_Interventions-1.pdf

be treated as personal information. Financial contributions made to any political party, auditing reports and their income tax returns must be disclosed in a timely manner for public eyes.

Uganda - Gender Responsive Fiscal Policy

In its report, 'Framing Feminist Taxation': Making Taxes Work for Women, the Global Alliance for Tax Justice “illustrates what a gender-responsive taxation framework looks like and provides the case study of Uganda. It demonstrates how to link a global advocacy issue to a national framework in a way that is useful for influencing both in-country and international spaces.”³¹ In particular, the report looks at Village Budget Clubs, initiated in Uganda by the Forum for Women in Democracy in 2010. The aim of the clubs “was to equip men and women (women are the majority members) with the knowledge and skills to enable them to understand the budget process, including how resources are mobilized and allocated.”³² The clubs were successful in incorporating gender responsiveness within budgets at the national level, leading to “a fully equipped and operational maternity ward, with solar power where pregnant women can access services.”³³ As a transparency and accountability measure, Economic and Finance Ministries of countries should undertake gender-climate impact assessments on tax policies as well as loan agreements a country enters into.³⁴

Further resources for reference:

- Rouine, Chafik Ben and Salomé Backgammon (2018): Double taxation treaties, benefit or curse for economic development in Tunisia? <https://economie-tunisie.org/fr/observatoire/analyseeconomics/les-traites-non-double-imposition-tunisie>
- Civil society submissions on [Switzerland](#), [Panama](#), [Brazil](#) to the CEDAW Committee.
- https://economie-tunisie.org/sites/default/files/20180122-da_13_justice_fiscale-eng-.pdf
- Summary of Records for Sweden, 80th Session of the CEDAW Committee, October 2021, para. 24: <https://docstore.ohchr.org/SelfServices/FilesHandler.ashx?enc=6QkG1d%2fPPRiCAqhKb7yhskcAJS%2fU4wb%2bdIVicvG05Rx61F%2bQpG9KQdL4FDDYzYADuKqXzOCPNV9HPDoH7%2fz9qynlvnaHuM7eC0S2lpHPu ntcjL9uFQCebtUogh4ljeTi>
- Tunisian Observatory of Economy (2018): Tax justice: The core issue in the Finance Law https://economie-tunisie.org/sites/default/files/20180122-da_13_justice_fiscale-eng-.pdf
- Tunisian Observatory of Economy (2018): Tax incentives, a loss of revenue for an uncertain benefit https://economie-tunisie.org/sites/default/files/20181122-pb-les_avantages_fiscaux-eng-bat.pdf

³¹ Global Alliance for Tax Justice, 'Framing Feminist Taxation': Making Taxes Work for Women. <https://www.globaltaxjustice.org/en/latest/framing-feminist-taxation-making-taxes-work-women>.

³² Ibid at p. 77.

³³ Ibid.

³⁴ CESR's Submission to the UN's Independent Expert on Foreign Debt (2021). <https://www.cesr.org/cesrs-submission-to-uns-independent-expert-on-foreign-debt/>