Oral Statement of the Center for Economic and Social Rights, the Tax Justice Network, the Berne Declaration, and the Global Justice Clinic to the CEDAW Committee at its 65th Pre-Sessional Working Group Meeting

7 March 2016

Thank you, Madame Chair.

On behalf of the Center for Economic and Social Rights, the Tax Justice Network, the Berne Declaration, and the Global Justice Clinic at New York University School of Law, I thank the Committee for this opportunity. Our coalition's submission details the harmful effects of Switzerland's banking and tax policies on women's rights and gender equality abroad, particularly in developing countries. Moreover, it underscores Switzerland's obligation under Article 2 of the Convention to refrain from conduct, and to protect against private conduct, which foreseeably undermines the ability of other States to mobilize resources needed to fulfil CEDAW's promise.

As the Committee has observed on countless occasions, States need adequate public finances to realize CEDAW-protected rights—and effective taxation is the most reliable and accountable means of revenue collection. However, many States lose significant public resources to tax abuse, when corporations and individuals avoid paying their fair share by shifting their funds to countries where they can be held in secret, taxed at very low rates, or exempt from taxation altogether.

As one of the world's leading financial secrecy jurisdictions, Switzerland plays an outsized role in facilitating large-scale cross-border tax abuse that deprives other States of the public resources needed to fulfill women's human rights and promote their substantive equality. While every country enjoys a margin of discretion in how to design its own tax and financial system, its discretion is limited by its obligations under international human rights law. These include extraterritorial obligations imposed by CEDAW, obligations that may be violated when a State's banking and tax policies undermine the ability of other countries to mobilize available resources for the realization of women's rights and the elimination of gender-based discrimination.

The States hit hardest by cross-border tax abuse are those developing countries with the fewest resources overall and the greatest dependence on corporate taxes for their national revenues. And women are amongst the first and most acutely affected when the loss of tax revenues in those developing countries cripples public budgets, weakens public services, and increases the tax burden on lower-income households. The result is a sort of "reverse Robin Hood" effect, in which money is transferred out of poorer countries, such as Zambia, and into countries like Switzerland. The Committee has noted that resource limitations interfere with many countries' fulfilment of their CEDAW obligations—yet many of those same countries lose millions of dollars in public revenue every year to corporate and other forms of tax abuse.

In light of these facts, we respectfully request that the Committee ask Switzerland to report on the measures it is taking to ensure that its tax and financial secrecy policies do not contribute to large-scale tax abuse, which deprives developing countries of the resources needed to realize women's rights and substantive equality. Such measures could include conducting human rights and gender impact assessments of Swiss tax and financial policies, as well as steps to protect whistleblowers who disclose tax abuse. Within ongoing reform processes, Switzerland could also ensure that new rules on taxpayer information-sharing and corporate reporting benefit revenue collection in developing countries equally.

Switzerland's appearance before this Committee provides a promising opportunity to ensure that women's rights are central in ongoing policy debates, both in Switzerland and internationally, about measures to tackle tax abuse—a structural barrier to substantive gender equality stretching beyond and across borders.

Thank you.