Committee: Economic and Financial Committee (ECOFIN)

Country: Spain

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Topic: Tax Evasion

The financial basis for many nations around the world has been severely weakened by the economic threat of tax evasion. It is a complicated issue that is frequently concealed by a complex global financial system, severely harming economic stability and damaging public confidence in government institutions. According to the Tax Justice Network, multinational company tax avoidance and individual tax evasion cost countries an estimated $427 billion in tax revenue year and yield an estimate of recovered tax revenues of US$89.5 billion a year (1). Spain is passionate about promoting strict legislation and international cooperation to handle the issue thoroughly because, like other countries, it has been a victim of these unlawful practices.

Over the years, the United Nations has made impressive strides to address the issue of tax evasion. Recognizing the intricate web of the problem, the UN established the Committee of Experts on International Cooperation in Tax Matters (2). This Committee is aimed at promoting international tax cooperation and fostering a dialogue for the creation of new tax norms and policies that effectively address tax evasion. Additionally, the UN has also promoted automatic exchange of financial account information (3), which ensures financial transparency and makes it challenging for individuals and corporations to conceal income and avoid paying taxes. Along with these initiatives, ECOFIN has played a significant role in the battle against tax evasion as a crucial UN arm. ECOFIN has devoted countless hours to incorporating tax-related concerns within the UN's larger development agenda. ECOFIN has also supported policy debate and collaboration in areas of tax evasion and avoidance because sufficient tax revenues are required for countries to finance programs for sustainable development (4).

Spain has demonstrated its commitment to the battle against tax evasion by passing severe domestic legislation. Spain has strengthened its laws to seek criminal accusations against well-known people accused of tax cheating. Furthermore, by incorporating modern technological advances for better tax evasion detection and discouragement, Spain has increased the effectiveness of its tax administration (5). To develop a successful worldwide response to tax evasion, Spain continues to be dedicated to working with other countries in this mission. We will share our success stories, exchange useful thoughts, and learn from one another as we proceed.

Believing that sustained international collaboration is essential in the effort to limit and eventually abolish tax evasion, Spain supports the establishment of an internationally recognized standard for financial transparency that would bind all countries to follow. The goal of this campaign is to prevent people and companies from hiding their wealth in offshore accounts, a behavior that encourages ongoing tax evasion (6). Additionally, Spain supports the extensive use of digital instruments for real-time monitoring of financial transactions. By doing this, it will improve tax officials' ability to spot questionable activity, preventing possible tax evasion schemes.

Spain emphasizes the value of global cooperation in the fight against tax evasion in its concluding statement. We recognize that the situation is a universal one that affects every nation and necessitates a coordinated response. Our commitment is to actively take part in this conflict and work together with other countries to develop effective anti-tax evasion measures.

1. “State of Tax Justice 2022.” [https://taxjustice.net/wp-content/uploads/2022/11/State-of-Tax-Justice-2022-Tax-Justice-Network.pdf.](https://taxjustice.net/wp-content/uploads/2022/11/State-of-Tax-Justice-2022-Tax-Justice-Network.pdf.%20)
2. “26th Session of the Committee of Experts on International Cooperation in Tax Matters.” <https://www.un.org/development/desa/financing/events/26th-session-committee-experts-international-cooperation-tax-matters>
3. “Tax And Crime.” <https://www.oecd.org/tax/crime/>
4. “Concluding Its Session, Second Committee Approves 11 Draft Resolutions, Including Texts on Women’s Development, Global Tax Cooperation, Entrepreneurship.” [https://press.un.org/en/2022/gaef3579.doc.htm?\_gl=1\*1vh7dx\*\_ga\*NTg3MTU2MzAuMTY4NTA4OTAxNw..\*\_ga\_TK9BQL5X7Z\*MTY4NTA4OTY1MC4xLjEuMTY4NTA4OTc3Ni4wLjAuMA](https://press.un.org/en/2022/gaef3579.doc.htm?_gl=1*1vh7dx*_ga*NTg3MTU2MzAuMTY4NTA4OTAxNw..*_ga_TK9BQL5X7Z*MTY4NTA4OTY1MC4xLjEuMTY4NTA4OTc3Ni4wLjAuMA)..
5. Bird, Richard M., and Milka Casanegra De Jantscher, editors. *Improving Tax Administration in Developing Countries*. 1992. *Bowker*, <https://doi.org/10.1604/978155775317510.5089/9781557753175.071>
6. “International Community Continues Making Progress Against Offshore Tax Evasion.” [*https://www.oecd.org/tax/transparency/documents/international-community-continues-making-progress-against-offshore-tax-evasion.htm*](https://www.oecd.org/tax/transparency/documents/international-community-continues-making-progress-against-offshore-tax-evasion.htm).