

A more equal world – Developing a UN Tax Cooperation Convention

April 2026

The global economic system is sinful and oppressive, delivering huge profits for the few and poverty for the many. These inequalities are rooted in a system of enslavement and exploitation of much of humanity as well as the natural world.

Taxation is an important tool for sharing wealth equitably within and across countries as well as for holding corporations and citizens accountable for their responsibility towards upholding the common good, including care for the global ecological commons.

World Council of Churches, World Communion of Reformed Churches, Council for World Mission and the Lutheran World Federation

Historically, global tax standards have been set by the Organisation for Economic Co-operation and Development (OECD), which comprises the governments of wealthy countries. It is hardly surprising, therefore, that global tax rules have favoured the interests of multinational corporations headquartered in wealthy countries. Also, global tax rules have been skewed in favour of allocating a greater share of tax revenue to wealthier countries rather than lower-income countries in the Global South. Lower-income Global South governments see a considerable share of their wealth captured by a system that allows multinational corporations to shift profits to tax havens in large amounts, and ultra-wealthy individuals to hide a growing share of their wealth through opaque arrangements involving trusts, shell companies, and holding companies, often located in tax havens.

Research from 2017 found that 40% of multinational corporations' profits were transferred to tax havens.

Recent work by the Tax Justice Network concluded that if the funds from global tax abuse by multinational corporations and excessively wealthy individuals were spent for the benefit of people, over 60,000 deaths of children under five years old could be prevented annually. Or the funds could be spent to provide clean water to 17 million people and basic sanitation to 34 million people.

The OECD has facilitated limited reforms over the last decade that have helped curb the worst excesses of global tax abuse by multinational corporations. Key among those reforms is that 120 governments have implemented laws requiring multinational corporations to disclose to tax authorities their revenue, profits, taxes paid, and other financial details broken down by country. That has allowed tax authorities to more easily identify tax avoidance and profit shifting when a large portion of profits ends up in tax havens where the corporation is not doing any meaningful business.

Enter President Trump

President Trump has recently intervened globally to help US multinational corporations dodge paying taxes. An agreement between 147 governments would have seen all large multinational corporations having to pay a minimum 15% tax on their profits globally. President Trump threatened to impose a 15% revenge tax on any country that upheld the 15% tax rate on US-based multinational corporations. The OECD buckled under the threat, and US corporations will now be exempt from the minimum tax. The outcome further underscores the OECD's inadequacy as the body responsible for setting international tax standards.

Every year, US multinationals rob the world of an amount of tax that is worth twice all the gold and silver that Spanish colonisers plundered out of the Americas over a span of 150 years.

Alex Cobham, chief executive, Tax Justice Network

Development of the UN Framework Convention on International Tax Cooperation

As a positive development, the UN General Assembly has established an Intergovernmental Negotiating Committee (INC) to draft a UN Framework Convention on International Tax

Cooperation. The UN Framework Convention on International Tax Cooperation is a proposed international legal instrument intended to improve global tax cooperation. The process to establish the Convention will run from 2025 to 2027 to develop an agreement that leads to more inclusive and effective international tax cooperation. The Convention's mandate is to create a fair, transparent, effective and equitable international tax system for sustainable development.

Benefits of a UN Tax Convention

It's not just trillions of dollars on the line in these negotiations, but our democracies, global equality and fairness and the planet. Weak and fragmented international tax cooperation harms all countries and their people. Although governments may disagree on how to share costs and benefits, they all gain more from full tax cooperation than from partial or no cooperation at all.

In today's interdependent economy, no government can enforce its tax rules on cross-border activity without cooperation from other governments. The benefits would be greatest if as many UN member governments as possible ratify a single, ambitious Convention. No other forum has achieved this. The challenge is to design an agreement that is widely acceptable but still ambitious enough to deliver effective regulation of multinational corporations and excessively wealthy individuals.

So far, the Australian Government is not participating in the development of the Convention. Our government must hear that we want them to join the negotiations on the Convention and play a constructive role to obtain a socially just outcome on global tax arrangements.

What You Can Do

Write polite and respectful letters to:

The Hon Anthony Albanese MP

Prime Minister
PO Box 6022
House of Representatives
Parliament House
Canberra, ACT, 2600

The Hon Dr Jim Chalmers MP

Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra, ACT, 2600

Salutation: Dear Prime Minister

Salutation: Dear Treasurer

Points to make in your letters:

- Express deep concern that the existing global tax rules are no longer fit for purpose and allow multinational corporations and wealthy individuals to avoid paying the taxes they should in Australia and in lower-income countries. It is ordinary people who lose out, with fewer government-funded services or higher taxes.
- Urge the Australian Government to support the development of the UN Framework Convention on International Tax Cooperation and to play a constructive role that supports the Convention delivering:
 - Fair allocation of taxing rights;
 - Equitable taxation of multinational corporations based on where their business operations are, rather than on artificial legal structures;
 - Effective taxation of high-net worth individuals;
 - International tax arrangements that will contribute to sustainable development;
 - Transparency mechanisms that will support the implementation of the other goals of the Convention, including public registers of the ultimate beneficial owners of corporations and trusts; and,
 - Solutions to address the global transfer of funds obtained by illegal activities.
- Ask that the Australian Government seek to ensure the Convention covers all entities that can engage in international tax abuse.

Please send any replies to your letters to jim@victas.uca.org.au