

# **Meeting of the Inclusive Framework on BEPS**

**Opening Remarks by Angel Gurría  
OECD Secretary-General**

**Paris, France**

**1 July 2020**

*(As prepared for delivery)*

Ladies and Gentlemen:

I am delighted to welcome you to this crucial meeting of the Inclusive Framework on BEPS, which brings together 604 delegates from 144 countries, jurisdictions and organisations.

We meet at an extremely challenging time. The COVID-19 pandemic has created a global health and economic crisis, as well as a crisis of confidence. The disruptions it has caused have forced delays in policy implementation, increased pressure on national budgets, and raised uncertainty about the future.

We are at an inflection point. In the years to come, I hope that the international community will take pride in how it responded to the crisis and that our successors will be certain that we reacted as best as we could under the circumstances.

### **Progress in fighting tax evasion**

This brings to mind the international response to the 2008 Global Financial Crisis – even though the COVID-19 pandemic is different in both its nature and impact. At the time, faced with a severe economic downturn, the G20 decided to end bank secrecy once and for all and to strengthen the global fight against tax evasion.

Twelve years later, we are seeing the dramatic results of this bold multilateral effort, notably through the work of the 161 members of the Global Forum on Transparency and Exchange of Information for Tax Purposes. Indeed, the new 2019 Automatic Exchange of Information (AEOI) figures provide the latest evidence.

In 2019, information was exchanged on around 84 million financial accounts, with a total balance of around EUR 10 trillion. This constitutes EUR 10 trillion of a secure tax base for tax administrations, which is around half of the total GDP of the world's largest economy.

With this wealth of new information, tax administrations around the world will be able to raise much needed revenue – particularly critical given the deep stress COVID-19 has placed on national finances – and to increase the EUR 102 billion of already-identified taxes on previously hidden money. This shows that when we work together, we can deliver fundamental changes!

### **International co-operation is key in furthering our efforts**

This kind of international co-operation is exactly what we need to deliver the fundamental changes required to address the tax challenges arising from the digitalisation of our economies. We have already made great efforts. Many members have made concessions and compromises to advance this work, and we have achieved a lot of good technical progress. To be clear, contrary to some earlier media reports, the US has not pulled out of the negotiations. Indeed, the presence of the US delegation here today, notwithstanding the US request for a delay on Pillar One, confirms their ongoing engagement in this important work.

I am here today to urge you all to move forward towards a solution. And the sooner, the better! For many of you, it is a question of fairness to be able to tax part of the profits of companies which, by the way, have done and are doing well through the crisis, but cannot be taxed due to outdated rules. Without a solution, we risk an increase in unilateral actions, which in turn may trigger a trade war. Trade wars and tax wars are not what we need in today's seriously compromised economy. This is why we need to all remain engaged, work together in a spirit of compromise and advance towards a solution on Pillar One.

On Pillar Two, growing public concern on tax fairness is not going away, especially when a large part of the economy is being bailed out by public funds. Once we move into the economic recovery, our citizens will expect all companies to pay tax where they earn profits. Pillar Two will ensure that a minimum level of tax will be paid, no matter how much clever tax planning is undertaken by multinationals.

This is why we need to reach an international agreement, whether partly in October and then later in 2021, or any other possible combination driven by the political agenda. Further progress, both technical and political, must be achieved now to have the most comprehensive package ready as early as possible.

Ladies and Gentlemen:

Progress on this important matter will only be achieved with the collaboration of each member of the Inclusive Framework. We are counting on your support, your constructive engagement, and your flexibility. Collectively, we will cross the finish line and reach a multilateral solution!

I wish you all fruitful and constructive discussions.

Thank you.