

Joint Statement

G20 Rio de Janeiro Leaders' Declaration: A Step Forward in Taxing the Rich, but Inadequate for Global Tax Reform

We, civil society organizations from Asia, welcome the *G20 Rio de Janeiro Leaders' Declaration* for its recognition of "inequality within and among countries," alongside poverty, as critical global challenges. The G20 declaration marks a positive shift by acknowledging progressive taxation, emphasizing the effective taxation of ultra-high-net-worth individuals as a means to reduce inequalities, foster inclusive growth, and finance climate action. This commitment is highlighted in paragraph 20, which states:

"The G20 will seek to engage cooperatively to ensure that ultra-high-net-worth individuals are effectively taxed. Cooperation could involve exchanging best practices, encouraging debates around tax principles, and devising anti-avoidance mechanisms, including addressing potentially harmful tax practices."

However, we are deeply concerned about the G20's continued endorsement of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) and its two-pillar solution as the primary mechanism for advancing global tax cooperation. Paragraph 20 also mentions:

"The G20 encourages the Inclusive Framework on BEPS (IF) to consider working on these issues in the context of effective progressive tax policies."

Further, in paragraph 21, the G20 reiterates:

"The G20 welcomes the progress made on the Two-Pillar Solution under the Inclusive Framework. We reaffirm our commitment to the October 2021 Statement of the Inclusive Framework and to the swift implementation of the Two-Pillar Solution by all interested jurisdictions, including expeditious negotiations on the final package of Pillar One."

This position risks sidelining the critical progress being made under the United Nations Framework Convention on International Tax Cooperation (UNFCITC), which offers a fairer and more inclusive platform that amplifies the voices of the Global South in shaping international tax architecture.

While the G20 declaration references “continued constructive discussion at the United Nations” on advancing negotiations related to the UNFCITC and its protocols (paragraph 21), this tepid language falls short of providing the unequivocal support needed for the UN process to succeed in effectively addressing the challenges facing people and the planet. We urge the G20 to prioritize the UN-led initiative as the legitimate forum for discussing taxing the super-rich and other international tax reforms.

We call on G20 member countries to translate their commitment to taxing the super-rich into concrete action, beginning with reforms within their jurisdictions. A fair and just international tax system must ensure that global policies are inclusive, progressive, and equitable, mobilizing the resources needed to finance the care economy, ensure social security and quality public services for all, finance climate action, and reduce inequality.