Argentina Tax Justice Briefing

by

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The Public Services International Research Unit (PSIRU) investigates the impact of privatisation and liberalisation on public services, with a specific focus on water, energy, waste management, health and social care sectors. Other research topics include the function and structure of public services, the strategies of multinational companies and influence of international finance institutions on public services. PSIRU is based in the Business Faculty, University of Greenwich, London, UK. Researchers: Prof. Steve Thomas, Dr. Jane Lethbridge (Director), Emanuele Lobina, Prof. David Hall, Dr. Jeff Powell, Sandra Van Niekerk, Dr. Yuliya Yurchenko

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1.0 Why taxation is important

Taxation is an essential part of a good government. It has four main goals:

- To raise **revenues** for public spending, which can be used to meet the basic needs of population – food, healthcare, shelter, provide quality public services (QPS), for example, health, education, economic development stimulus, maintain institutions and governance structures. [1]
- **Redistribution of income** between high and low income groups.
- **Representation** – an effective taxation system enables citizens to feel that they contribute and own public policies. An ineffective taxation system can lead to social exclusion and increasing levels of inequalities.
- **Changing behaviour** of individuals and companies – through taxes that shape or inhibit behaviours, e.g. taxes on alcohol & tobacco, taxes on environmental pollution.

Taxation plays an essential part in supporting the financing of quality public services. Without an effective taxation system, quality public services (QPS) will be inadequately funded and will struggle to meet the needs of the population. There are several issues that need to be addressed through an improved system of taxation: rising inequality and the underfunding of QPS, such as health and social services. The essentials of a good taxation system depend on a progressive taxation system where higher income groups pay more tax than lower income groups. The existence of an effective government tax authority, which is competent to collect taxes is also important. This depends on well-paid tax inspectors, a lack of corruption and transparency of personal and corporate financial information. Cuts in government services often affect the ability of national tax authorities to collect taxes.

Table 1: Tax revenue as % of Gross Domestic Product (GDP) 2010-2013 for seven Latin American countries

	2010	**2011**	**2012**	**2013**
Argentina	**26.7**	**27.7**	**29.5**	**31.2**
Brazil	33.2	35.0	35.6	35.7
Chile	19.5	21.2	21.4	20.2
Colombia	18.0	18.9	19.6	20.1
Peru	18.0	18.5	18.8	18.3
Uruguay	27.0	26.8	27.4	27.1
Mexico	18.5	19.5	19.6	19.7

Source: OECD/ECLAC/CIAT/ IDB 2015

Table 2: Tax revenue as % GDP for four high income OECD countries

	2010	2011	2012	2013
Australia	25.6	26.3	27.3	n/a
Sweden	43.1	42.3	42.3	42.8
UK	32.8	33.6	33.0	32.9
US	23.7	24.0	24.4	25.4

Source: OECD

Table 1 shows tax revenues as a percentage of Gross Domestic Product (GDP) for a group of Latin American countries. There has been a gradual increase in the percentage of GDP which comes from tax revenue in many Latin American countries since 2010. Brazil has the highest % of GDP from tax revenue and Argentina has the second highest level in Latin America with 31.2% in 2013. Table 2 shows the tax revenues as a % of GDP for a group of high income OECD countries. These show the relatively low levels of tax revenues as a % of GDP for Australia and the United States and the high level of Sweden. The UK has a rate of 32.9% which is similar to Argentina (31.2%).

Although there have been increases in % of GDP from tax revenues in Latin America, this masks some significant changes in the types of tax that contribute to overall tax revenues. There are several types of taxes:

- Personal taxes – paid on income earned, or earned interest;
- Property taxes – paid on property owned – annually or on buying/ selling;
- Service taxes (Value Added Tax VAT) – paid on goods and services e.g. consumer durable goods;
- Commercial/ business taxes – companies pay taxes on profits;
- Import/export taxes – paid on goods being imported and/ or exported.

Table 3: Progressive and regressive taxation

Types of tax	Progressive taxation	Regressive taxation
Income tax	Income taxes – higher income groups pay more tax	Low or flat rates of tax so that lower income groups pay a disproportionate part of their income in tax. Income taxes have limited liabilities
Value Added Taxes (VAT) for goods and services	Value Added Taxes operate with exemptions so that low income groups are not disproportionately affected	VAT is imposed without exemptions. Low income groups are more affected by VAT on goods and services
Social security payments	Social security payments must not be capped – so that high income groups pay more contributions	Social security contributions are capped so that higher income groups pay a smaller % of their income towards social security
Capital gains tax	Capital gains taxes are part of a tax systems – there are no exemptions when compared to income taxes	Low rates of capital gains taxes and extensive exemptions from capital gains tax
Wealth / inheritance taxes	Wealth or inheritance taxes operate effectively	Many ways of avoiding paying inheritance or other forms of wealth taxes or no wealth taxes at all

Tariffs & trade taxes	Tariffs and trade taxes are used to protect new/ young industries, exploitation of natural resources or cost effective charges on low income groups	Allowances and reliefs are only available to high income groups, e.g. tax relief on pension contributions or mortgage payments

Table 3 shows how the different forms of taxation can contribute to either a progressive or regressive taxation system.

Table 4: Different sources of tax revenues as % of GDP 2013

	Income/ Profits	**Social Security**	**Payroll**	**Property**	**Goods & Services**	**Others**
Argentina	**5.6**	**7.1**	**0.0**	**2.9**	**15.5**	**0.2**
Brazil	7.4	9.2	0.7	2.0	15.2	1.2
Chile	7.2	1.4	0.0	0.8	10.7	0.0
Colombia	6.8	2.4	0.5	2.1	7.3	1.1
Peru	7.3	2.0	0.0	0.3	8.2	0.5
Uruguay	6.3	7.5	0.0	1.9	11.4	0.0
Mexico	5.2	2.9	0.3	0.3	10.7	0.2

Source: OECD/ECLAC/CIAT/ IDB 2015

Table 4 shows the contributions that different types of taxes make to GDP in a group of Latin American countries. Taxes on goods and services or Value Added Taxes (VAT) form the largest percentage of tax revenues. Argentina has the highest percentage of tax revenues from taxes on goods and services. There has been a decline in specific consumption taxes, such as excises and taxes on international trade. Social security contributions are highest in Argentina (7.1%) and Brazil (9.2%).

Personal taxation in Latin America

Rates of personal taxation are progressive when the rates increase for higher income earners. In Argentina, rates of personal taxation for residents range from 9% to 35%, which is one of the highest rates in Latin America. Only Chile has a higher rate of 40%. This shows that there is some element of progressive taxation within the Argentine tax systems. An indirect or 'property' tax of between 0.5% and 1.25% is charged on assets in Argentina or abroad owned by individuals living in Argentina and all assets located in Argentina that belong to Argentine residents living outside the country. [2]

There are several allowable expenses which can be offset against tax in Argentina. These include mortgage interest, life insurance premiums and 40% of invoiced medical expenses up to a maximum of 5% of taxpayer's annual net income. [3] Tax relief on these types of payments has implications for public services because government is effectively subsidising middle / high income groups to use private sector services. The overall effect is that tax revenue is reduced thus limiting expenditure on public services.

Table 5: Personal and other taxes

Country	Value Added Tax (VAT) – sales tax	Personal income tax	Inheritance/ wealth tax/capital gains tax
Argentina [4]	**21%**	**9% - 35% (residents),**	**Net wealth tax – ranges from 0.5% to 1.25%. Capital gains tax - 0%/15%**
Brazil [5]	20% average	Tax is levied as follows: 7.5% - 27.5%	Inheritance/estate tax - states are authorized to tax inheritances at varying rates. No net wealth/net worth tax.
Chile [6]	19%	0-40%	Capital gains taxed as ordinary income. Inheritance tax paid on net value of assets transferred on death. Tax relief on mortgage payments, pension and social security contributions and school fees No net worth tax.
Colombia [7]	16% (with some exceptions)	Max 33%	Net wealth 0- 6% on COP (Colombian pesos) 1 billion
Mexico [8]	16%	30% 29% (2013) 28% (2014)	Tax relief on medical/ dental fees, hospital fees, health insurance premiums and charitable donations, mortgage interest, pension contributions and some school fees.
Uruguay [9]	22%	0-30%	No inheritance tax. Net worth tax – on difference between assets and certain liabilities each year. Tax relief on social security contributions, some mortgage interest, child and 6% of rent can be offset for tax.

Source: Deloitte www.deloitte.com

In Argentina, the rate of Value Added Tax (VAT) or sales tax, an indirect tax, is 21%, which is one of the highest rates in Latin America. Only Uruguay has a higher rate of 22%. Argentina has a rate of 27% for electricity and communications as well as a lower rate of 10.5% for some food products, interests on loans, passenger transport and newspapers and magazines. A sales tax is a regressive form of taxation because it affects low income groups, particularly women disproportionately.[10] It is frequently imposed on goods such as fuels, which affect the cost of household cooking and public transport. Low income groups spend a higher proportion of their income on these basic goods.

Corporate tax in Latin America

There are several elements of national tax regimes which can benefit companies. Table 6 shows that the level of corporate taxation ranges from 35% (Argentina) to 20% (Chile). Although higher rates of corporate taxation can generate higher government revenues, they can also push companies to locate in tax havens to avoid paying tax, so resulting in no tax being paid in the country. This is thought to be the case in Argentina, which has a relatively high rate of 35% and where companies have re-located to countries with lower tax systems. [11]

In Tierra Del Fuego, the most southerly province in Argentina, companies have tax exemption for profits tax, tax on minimum notional income, tax on personal wealth and on excise tax. Mining companies are taxed on the same rate for a period of 30 years. Forestry companies have similar tax benefits to mining companies, with a 30 year tax arrangement as well as VAT refund for goods, leases or services paid within a year. [12] Biotechnology industries and software industries also receive tax benefits. Provincial governments provide exemptions from municipal and provincial taxes for companies which can provide employment or extract and process natural resources. Argentina has free trade zones which provide exporters with tax free opportunities, for example exemptions from customs duties and VAT on construction and raw materials from third countries. Goods have a duty-free status and can remain in the free trade zone for up to 5 years. [13]

Table 6: Corporate tax profiles

Country	Corporate tax	Losses offset	Special tax regimes
Argentina [14]	35%	5 years	Mining, forestry, software production, biotechnology and biofuel production. Tierra del Fuego is a tax free zone with special incentives for certain activities.
Brazil [15]	34% (includes basic 15% & surtax & social contribution on net profits)	Tax losses incurred in one fiscal year may be carried forward indefinitely, but the amount of the carry forward that can be used is limited to 30% of taxable income in each carry forward year	R&D projects and information technology qualify for some direct assistance and tax relief. Subsidized financing is available to purchase capital goods, invest in infrastructure projects and build ships. Companies that earn at least 50% of their revenue from exports are exempt from some taxes.
Chile [16]	20%	Tax losses may be carried back until all retained taxable profits are absorbed and may be carried forward indefinitely.	Special regime for Chilean publicly traded stock corporations and closely held stock corporations that voluntarily submit to Chilean Securities & Exchange Commission and meet certain requirements.
Colombia [17]	25%/33%?	Normal losses may be carried forward indefinitely	Incentives to invest in manufacturing, agro-industry, mining and petroleum and exports
Mexico [18]	30% 29%(2013) 28% (2014)	Carried forward and deducted for 10 years	Maquiladoras / export zones set up to create jobs and promote exports. Foreign partners of maquiladoras are exempt from tax as long as domestic partners report taxable income above a certain level of value of assets (6.8%)or costs & expenses (6.5%).
Uruguay [19]	25%	Losses carried forward for 5 years	Capital gains 12%

2.0 Tax base erosion and profit shifting (BEPS)

The cross border mobility of goods, services, capital and jobs has made it more difficult for national governments to tax individuals or companies. Competition between government authorities in attempts to attract foreign direct investment (FDI) has resulted in governments lowering tax rates for global companies. A country's tax base is eroded when multinational companies (MNCs) reduce the taxes that they pay in the country where their income is generated.

MNCs use cross-border payments to move profits to low or zero tax centres. These include:

- Royalties;
- Interest;
- Payments for goods purchased for re-sale;
- Fees for technical and other services;
- Payments for supplies and other equipment.

The transactions involved in these types of payments allow companies to move the profits from the types of activity listed above from one country to another. As a result, companies do not contribute to paying tax although they benefit from the use of public services and the local labour force. Even if illegal activities are identified, it is extremely difficult for a national government to enforce their tax legislation. [20]

Tax base erosion of a country results in a government being unable to raise enough revenue to be able to provide for the needs of the population and to invest, build infrastructure and strengthen institutions. The government is unable to redistribute income from high to low income groups and the country has increasing polarisation between rich and poor. A lack of tax compliance weakens government institutions and undermines the effective implementation of tax legislation. If companies avoid the payment of tax, other people have to pay and this increases inequalities. Local companies that only operate in national markets find it difficult to compete with MNCs because MNCs move their profits across borders to avoid tax.

Illicit financial flows of capital are defined as "illegal movements of money or capital from country to another" [21] Table 7 shows that the size of illicit financial flows from Argentina, between 2003 and 2012, fluctuated from year to year but increased after 2010. Annual illicit financial flows from Chile were higher than from Argentina but still comparatively low compared to Brazil and Mexico. Mexico has been identified as the third highest country exporting capital illegally and Brazil is the sixth highest country in the world. [22]

Table 7: Illicit financial flows – Argentina, Brazil, Chile and Mexico (million US $)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TOTAL
Argentina	1,428	753	283	0	607	3,283	0	608	4,194	2,955	14,110
Brazil	12,069	15,897	16,782	10,681	17,264	21,765	22,324	32,289	34,105	33,928	217,103
Chile	2,534	2,614	4,318	4,548	4,125	7,594	3,303	5,411	6,110	5,082	45,639
Mexico	38,084	40,740	47,747	48,086	58,618	65,489	37,192	65,570	53,078	59,656	514,259

Source: Kar & Spanjers, 2014: 30-33

Argentina has recently taken action to improve transparency between low- or no-tax countries. In 2013, Argentina issued a Decree 589/2013 which:

> *"eliminated the list of no- or low- tax jurisdictions from the income tax regulations (the so-called 'black list') and empowered federal tax authorities to establish a new 'white list' of countries, jurisdictions, territories and tax regimes that are considered to be 'cooperative' with respect of fiscal transparency".* [23]

Cooperative countries will have either signed a DTA or a Tax Information Exchange Agreements (TIEA). The Decree also stated that DTAs and TIEAs should comply with the transparency standards adopted by the Global Forum on Transparency and Exchange of Information for Tax Purposes, which eliminates rules which maintain secrecy in banking or trading. [24]

3.0 Transfer pricing

"*Transfer prices are significant for both taxpayers and tax administrations because they determine in large part the income and expenses, and therefore taxable profits, of associated enterprises in different tax jurisdictions.*" [25] They play an important part in estimating a company's profit or loss before taxation. As some countries have lower tax rates than others, the aim of a company is to allocate more profits to subsidiary companies operating in low tax countries than in high tax countries.

One of the underlying problems, exacerbated by increasingly rapid Information and Communications Technologies (ICT) systems which can move capital around the world, is that the current international legislation on transfer pricing is unable to deal with the rapid movement of capital or systems used by transnational companies to obscure internal company systems. The current arrangements for transfer pricing are based on the 'arms-length principle', which means that companies are presumed to be independent and should price transactions as if they were so. However intangible goods and services, such as royalties, consultancy fees, trade marks, interest payments, IT services and intellectual property are becoming a larger proportion of internal transactions. These types of goods and services are much harder to price using the 'arms-length principle' and are thus more open to manipulation and abuse. Even when national tax authorities want to intervene because they feel that prices are unrealistic, the expertise and capacity required is often inadequate when compared to the legal, financial and political power of transnational companies. [26] [27]

Table 8: Transfer pricing arrangements

Country	Transfer pricing arrangements
Argentina	OECD rules
Brazil	Brazil does not follow OECD rules or the 'arm's length principle' but used fixed margins to calculate the transfer price. This policy only applies to cross-border transactions between related parties and transactions with entities located in tax have jurisdictions.
Chile	OECD rules
Mexico	OECD rules
Uruguay	OECD rules

Argentina, Chile, Mexico and Uruguay use OECD rules to determine transfer pricing. Brazil has developed its own system.

Illicit financial flows are measured by using data from a) trade mis-invoicing and b) outflows due to 'leakages' in the balance of payments, called "hot money outflows". Trade mis-invoicing is a way in which money is moved illicitly across borders and which deliberately misreports the value of a commercial transaction or an invoice submitted to customs. It is the largest contributor to illicit financial outflows. [28] In the case of Argentina, export under-invoicing can be illustrated by the case of grain or other agricultural companies which export products through an intermediary trader located in tax havens, such as Uruguay, Panama, Mauritius, at a minimum price. The products then go to their final destination where the recipient will invoice the subsidiary in the tax haven at a price many times greater than the original export price. [29] Over-invoicing of exports involves issuing inflated invoices for exports and then bringing capital back into the country as foreign direct investment, which can contribute to 'leakages' of the balance of payments. Over-invoicing of exports can also be used if companies want to claim tax incentives for companies to exports their good abroad. By under-reporting importing of goods, companies can evade payments of customs or other taxes. [30]

Table 9: Components of trade mis-invoicing

	Import mis-invoicing		Export mis-invoicing		Total trade mis-invoicing inflows	Total trade mid-invoicing outflows	Gross trade mis-invoicing
	Over-invoicing	Under-invoicing	Over-invoicing	Under-invoicing			
Argentina	1,861	6,463	10,766	3,254	17,229	5,115	22,344
Brazil	59,742	184,742	92,645	145,750	277,387	205,492	482,879
Chile	12,522	45,705	37,083	27,047	82,788	39,569	122,357
Mexico	443,274	0	154,226	0	154,226	443,274	597,500

Source: Kar & Spanjers, 2014: 42-44

Table 9 shows the components of trade mis-invoicing for Argentina, Brazil, Chile and Mexico. Argentina has the lowest levels of the four countries with gross trade mis-invoicing to a value of US $22,322 m. Chile has a higher level of US$ 122,357. Both Brazil and Mexico have much higher levels but the pattern of mis-invoicing is different. Brazil has a mix of over/under invoicing for imports and exports, similar to Argentina and Chile. Mexico has only over-invoicing of imports and over-invoicing of exports.

Table 10: Hot money outflows - Argentina, Brazil, Chile and Mexico (million US $)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TOTAL
Argentina	1,428	0	0	0	0	0	0	608	4,194	2,765	8,995
Brazil	933	2,145	225	0	3,152	0	347	3,538	1,272	0	11,611
Chile	724	270	1,329	1,526	450	0	0	855	580	336	6,070
Mexico	4,411	4,816	4,077	403	0	5,422	3,458	19,780	9,959	18,660	70,985

Source: Kar & Spanjers (2014): 38-41

Hot money outflows are caused by "leakages in the balance of payments" and form a smaller proportion of illicit financial flows. Table 10 shows that Argentina had low levels until 2010 when annual rates increased. Brazil and Chile also have relatively low levels. Mexico levels are higher but still lower than the value of trade mis-invoicing.

4.0 Addressing tax evasion

Many argue that one way of dealing with tax evasion is to reform domestic tax authorities. Weaker and less transparent institutions make the tax situation worse and what is needed is the reform of domestic tax authorities to improve their technical expertise and collection capacity. [31]

Double Taxation Agreements

A growing number of Latin America countries have entered into Double Taxation Agreements (DTAs), which try to clarify when an individual or company moves from one country to another, which country should tax the income of either the individual or company. There are two models of Double Taxation Agreements: the OECD model and the UN model. The OECD model places more emphasis on residence based taxation, which favours OECD countries where many multinational companies are based. The UN model gives more rights to countries receiving inward investment, most often low income countries. One of the problems facing Double Taxation Agreements is the lack of transparent information exchanged between high and low income countries and with secrecy jurisdictions. Tax justice campaigners argue that Double Taxation Agreements can sometimes lead to double 'no' taxation, with individuals or companies not paying tax in either their country of origin or the source of investment or income. [32] [33]

As a way of attracting foreign investments in the 1990s, Argentina signed several Bi-lateral Agreements (BIT) and Double Taxation Agreements (DTA). Since the economic crisis in 2001, no further BITs or DTAs have been signed. Government policies have changed and now focus more on improving access to employment and introducing a higher degree of state economic and social intervention. The government has worked to accumulate financial reserves, restructure and reduce government debt. Although overall economic and social policies have aimed to secure Argentine economic independence, until recently, there have been no measures put in place to reduce capital flight or to introduce tax reforms, which would benefit the country rather than multinational companies. [34]

Although the BITs and DTAs were supposed to draw funds into Argentina, there was actually been an outflow of funds from Argentina in the period 2001-2011 with increasing amounts of Argentine capital placed off-shore. Table 11 shows the relative size of the total assets offshore compared to the reserves of the Argentine Central Bank (BCRA).

Table 11: Argentina, international investment position, in million US$ 2001-2011

Year	Total assets offshore	Banco Central Republic Argentina (BCRA) Reserves
2001	131797	14913
2002	131282	10476
2003	143814	14119
2004	153796	19646
2005	161418	28076
2006	177511	32037
2007	206100	46176
2008	210700	46386
2009	223777	47967
2010	237240	52190
2011	251338	46376

Source: *Instituto Nacional de Estadistica y Censos* (Nat Inst for Statistics and Censuses) Latindadd/ Funcacion SES, 2014

Table 12: Argentina FDI – profits and dividends, in million US$ 2001-2011

Year	FDI	Profits and dividends
2001	8005	258
2002	2776	230
2003	878	633
2004	3449	2286
2005	3954	3895
2006	3099	4939
2007	4969	5241
2008	8335	6094
2009	3306	6627
2010	6090	7159
2011	7183	7380

Source: *Instituto Nacional de Estadistica y Censos* (Nat Inst for Statistics and Censuses) in in DTA Agreements in Latin America

Table 12 shows that the amount of capitalleaving the country through profits and dividends has often been greater than the amount invested in FDI annually. In the years 2006–2007 and 2009-2011, the amount being paid in profits and dividends was greater than the amount being invested in FDI.

Argentina has recently changed its approach to these DTAs. In 2011, the Argentine government set up a 'Double Taxation Agreement Evaluation and Revision Commission' to analyse and evaluate the DTAs in existence by reviewing tax implications. The review was considered to be limited without any citizen representation.[35] However, although there was limited transparency, the findings of the Commission have resulted in changes in approach to DTAs by the Argentine government. It was estimated that Argentina lost US$75 million as a result of tax avoidance through the DTA with Chile in 2011. The total tax avoidance as a result of the DTA with Spain was estimated at over US$60 million in 2011, which is more than 8% of the annual revenue from taxes on personal assets. [36] As a result of the investigations, Argentina stated that it would terminate agreements with Austria, Switzerland, Chile and Spain because it was felt that the agreements created "*conditions for income tax avoidance and generated a significant fiscal cost for accrued but not collected taxes*". [37] Tax avoidance was achieved through the creation of companies in one of the countries in order to receive tax benefits.

The case of Spain shows how a DTA could become a means to avoiding tax. This could be done through placing the holding of Argentine shareholders in Spanish holding companies, called *Entidades de Tenencia de Valores Extranjeros* (ETVEs). ETVEs are companies which allow non-residents to channel or dilute their equity holdings in different entities. As the ETVEs also had tax privileges they were exempt from paying tax and so became a way of avoiding tax. This method of not paying tax was promoted by companies specialising in tax planning. Reacting to these findings, Argentina tried to negotiate with the Spanish government to introduce a way of reducing fraud in the DTA but this was declined by the Spanish government. Argentina then gave notice to cancel the DTA in 2012 and in 2013, the agreement was terminated [38].p.56 However after pressure form MNCs who would be liable to pay 35% income tax rate, the Spanish government is now trying to renegotiate an agreement.

Uruguay has a financial system which allows the free movement of capital, foreign currency and gold from and to foreign countries as well as the free convertibility of its national currency. [39] *Zonaamerica* is a free trade zone located in Montevideo. [40] This open financial system combined with Uruguay's liberalisation of international financial transactions and bank secrecy laws has contributed to Uruguay becoming Latin America's most important financial centre. [41] It forms an important focus for unregistered Argentine capital which uses Uruguay since the introduction of stricter controls on foreign exchange and trade transactions in Argentina. In 2012, Argentina and Uruguay started to negotiate a tax information exchange agreement. [42]

5.0 Action against tax evasion

Country cooperation against tax evasion

Although national governments can take action to reduce tax evasion, there has to be coordinated action by all governments in Latin America. The *Unión de Naciones Suramericanas*/ Union of South American Nations (UNASUR) has set up a *Grupo de trabajo para integración financiera* (Working Group on Financial Integration).[43]

The *Comunidad de Estados Latinoamericanos y Caribeños (CELAC)/* Community of Latin American and Caribbean States is another grouping of Latin American and Caribbean states, working towards greater global influence through collaboration. [44]

Within Latin America, there is a growing tax justice movement, which is part of a global tax justice movement working towards 'The Fair Share Commitment'. This states:
'*People around the world, from the south to the north, are raising their voices in a united demand:*

- *It's time for tax justice;*
- *Tax justice must be put into action to end poverty, inequality and climate change;*
- *MNCs, financiers and the very rich must pay their fair share of taxes;*
- *National and international systems that support tax avoidance and tax havens must be stopped;*
- *Governments must enforce fair, progressive, transparent and sufficiently resourced tax administrations;*
- *It's time for people of every country to receive out fair share in public services and social protection.*

In signing this declaration, we call on world and community leaders, organisations and people to join together to take action. We demand that governments deliver tax justice now'
http://gatj.org/

Key players

- Organisation for Economic Development & Cooperation (OECD) www.oecd.org
- OECD - BEPS Action Plan http://www.oecd.org/ctp/BEPSActionPlan.pdf
- Tax Inspectors without Borders http://www.governanceanddevelopment.com/2012/05/tax-inspectors-without-borders.html
- The UN Committee of Experts on International Cooperation in Tax Matters is a subsidiary body of the UN Economic and Social Council and is responsible for keeping under review and update, as necessary, the United Nations Model Double Taxation Convention between

Developed and Developing Countries and the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries. http://www.un.org/esa/ffd/tax/

- *Unión de Naciones Suramericanas*/ Union of South American Nations *Grupo de trabajo para integración financier* (Working Group on Financial Integration) http://www.unasursg.org/inicio/organizacion/consejos/csef
- *Comunidad de Estados Latinoamericanos y Caribeños (CELAC)/* Community of Latin American and Caribbean States http://www.celac.gob.ve/

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List of tax justice campaign websites

- *Red de Justicia Fiscal de América Latina y el Caribe* (Latin America & Caribbean Tax Justice Network) http://www.justiciafiscal.org/
- Latindadd (Latin American Network on Debt, Development and Rights) www.latindadd.org
- Global Alliance for Tax Justice http://gatj.org/
- Tax Justice Network www.taxjustice.net
- Christian Aid www.christianaid.org.uk
- ActionAid www.actionaid.org.uk

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