



**THE RIO DE JANEIRO G20 MINISTERIAL DECLARATION
ON INTERNATIONAL TAX COOPERATION**

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Drawing on the fruitful debates held at the IFCBD (December 2023, Brasília), the IFMCBG (February 2024, São Paulo), the G20 High-Level Side-Event on International Taxation Cooperation (April 2024, Washington, DC), and the G20 International Taxation Symposium (May 2024, Brasília),

Building on the outcomes of successful International Tax Cooperation at the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Addis Ababa Action Agenda (AAAA) and noting the ongoing work by the UN Ad Hoc Committee to Draft the Terms of Reference for a United Nations Framework Convention on International Tax Cooperation (UNFCITC),

Noting the IMF G-20 Note on Alternative Options for Revenue Mobilization and the Blueprint for a Coordinated Minimum Effective Taxation Standard for Ultra-High-Net-Worth Individuals, commissioned by the G20 Presidency,

Recognizing the valuable inputs of invited countries, partner organizations such as the IMF, Multilateral Development Banks (MDBs), the OECD, and the United Nations,

Affirming our commitment to strengthening tax transparency and continuing to foster the global dialogue on fair and progressive taxation, while considering domestic circumstances, needs, and priorities, such as fair distribution of tax burden,

In the spirit of inclusive and effective international tax cooperation, building a just world, a sustainable planet, and a more stable and fairer global tax system,

We, the Finance Ministers of the G20, declare:

Our shared vision

1. Progressive taxation is one of the key tools to reduce domestic inequalities, strengthen fiscal sustainability, facilitate budget consolidation, promote Strong, Sustainable, Balanced, and Inclusive Growth (SSBIG), and facilitate the achievement of the Sustainable Development Goals (SDGs). International tax cooperation is fundamental to encourage best practices, improve domestic tax administration capabilities, support national tax reforms, strengthen tax transparency, and strengthen national endeavors to effectively implement progressive taxation, including domestic income and wealth distribution, while considering domestic circumstances, needs, and priorities and respecting the sovereign right of countries to adopt and implement measures that they consider feasible. Broad tax bases and effective enforcement are the foundations of progressive tax systems.
 2. Taxation remains a constitutive right of state sovereignty. Effective, inclusive and consensus-oriented international tax cooperation, ensuring tax certainty, avoiding
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unnecessary duplication of efforts, and respecting each country's economic sovereignty and nationally defined priorities can empower jurisdictions to exercise their tax rights more effectively.

3. The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has demonstrated the potential of international tax cooperation over the past decade. We remain committed to finalizing and swiftly implementing the Two-Pillar Solution in line with the October 2021 statement of the Inclusive Framework (IF), which respects the sovereignty of IF members. The implementation of Pillar Two will stabilize the global tax landscape, reduce profit shifting, and curb harmful tax competition by limiting the possibility of a race to the bottom on corporate tax rates. We encourage members to expeditiously complete the negotiations on a final package on Pillar One through resolving the remaining issues on a framework for Amount B, allowing the Multilateral Convention (MLC) to be finalized and opened for signing as soon as possible.
4. The implementation of automatic exchange of information (AEOI) on financial accounts represents a landmark achievement. It makes financial secrecy, offshore tax evasion, and avoidance more difficult and supports tax enforcement in over 100 jurisdictions.
5. We note the work being undertaken to develop the Terms of Reference for the UNFCITC. The negotiations of the UNFCITC represent a further opportunity to promote inclusive and effective international tax cooperation. Mindful of the UN rules and procedures in the definition of the scope of the UNFCITC, we will seek to avoid unnecessary duplication of efforts by building on existing achievements and processes and on the ongoing work of other international organizations. We expect the UNFCITC to focus on international tax cooperation initiatives that can be effectively implemented and support a stable and predictable international tax system, considering valuable contributions from academia, the business sector, and civil society organizations.
6. It is important for all taxpayers, including ultra-high-net-worth individuals, to contribute their fair share in taxes. Aggressive tax avoidance or tax evasion of ultra-high-net-worth individuals can undermine the fairness of tax systems, which comes along with a reduced effectiveness of progressive taxation. No one should be able to evade taxation, including by circumventing transparency standards. Therefore, greater efforts should be made to ensure full compliance with domestic tax obligations. Each jurisdiction should also work autonomously or, if necessary, through capacity-building initiatives to improve the effectiveness of revenue collection for taxes, which already today could be levied based on domestic law.

Ongoing Challenges

7. Wealth and income inequalities are undermining economic growth and social cohesion and aggravating social vulnerabilities. Several countries struggle to implement effective progressive tax policies to address these issues. Moreover, the international mobility of ultra-high-net-worth individuals creates challenges in ensuring adequate levels of taxation for this specific group, impacting tax progressivity. Promoting

effective, fair, and progressive tax policies remains a significant challenge that international tax cooperation and targeted domestic reforms could help address.

8. Complex structuring and tax planning to conceal tax avoidance and evasion remain a challenge. The widespread implementation of AEOI on financial accounts has significantly improved tax transparency. Exchanging foreseeably relevant information regarding crypto-assets and real estate for tax purposes, including beneficial ownership information where it is foreseeably relevant, is a challenging task which requires enhanced international tax cooperation. We look forward to the ongoing OECD work on advancing tax transparency, including in relation to crypto-assets and real estate as set out in the OECD report to the Indian G20 Presidency.
9. As climate change-related challenges accelerate worldwide, the financial costs of building climate resilience in each country are growing. We reiterate the importance of a policy mix consisting of fiscal, market and regulatory mechanisms, including, as appropriate, the use of carbon pricing and non-pricing mechanisms and incentives toward carbon neutrality and net zero. The need to mobilize additional resources, private and public, domestic and international, to help address bottlenecks for implementation of the 2030 agenda and AAAA is widely recognized. For that reason, fostering capacity-building initiatives in low-capacity jurisdictions is paramount.

Our commitment

10. We applaud domestic tax reforms carried out by several G20 countries to tackle inequalities and promote fairer and more progressive tax systems recently. We vow to strengthen our domestic reform endeavors through peer support and the exchange of best practices.
 11. We welcome the continued significant progress made towards the implementation of Pillar Two and will continue to support ongoing works to ensure coordination among countries implementing the Global Anti-Base Erosion Rules as a common approach. We remain committed to finalizing all components of the Pillar One agreement expeditiously with a view to signing the MLC as soon as possible.
 12. We recall the benefits and call for the swift implementation of the Crypto-Asset Reporting Framework (CARF) and amendments to the CRS by relevant jurisdictions. We also recall our previous request to the Global Forum on Transparency and Exchange of Tax Information for Tax Purposes in relation to their widespread implementation. We note the update provided by the Global Forum on the CARF and look forward to future reports. We invite the OECD to continue exploring possibilities for interested jurisdictions to exchange foreseeably relevant information regarding real estate for tax purposes on a voluntary basis, including beneficial ownership information where it is foreseeably relevant, building on the OECD report for the Indian G20 Presidency.
 13. With full respect to tax sovereignty, we will seek to engage cooperatively to ensure that ultra-high-net-worth individuals are effectively taxed. Cooperation could involve
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exchanging best practices, encouraging debates around tax principles, and devising anti-avoidance mechanisms, including addressing potentially harmful tax practices. We look forward to continuing to discuss these issues in the G20 and other relevant forums, counting on the technical inputs of relevant international organizations, academia, and experts. We encourage the Inclusive Framework on BEPS to consider working on these issues in the context of effective progressive tax policies.

14. We note the debates in the UN Ad Hoc Committee to draft Terms of Reference for a UNFCITC. We expect the UN Member States to engage in the discussions in good faith and spirit of cooperation, considering the aspirations of both developing and developed countries for strengthening international tax cooperation and making it fully inclusive and more effective. Accordingly, we stress the importance of (i) supporting a stable and predictable international tax system and promoting inclusive and effective international tax cooperation by reaching broad consensus, (ii) prioritizing issues that are likely to reach consensus by countries and can be effectively implemented, and (iii) focusing on enhancing DRM and capacity building in tax matters for countries in need.
 15. We recognize that strengthening technical assistance is essential to improve DRM in support of the SDGs, which allows for enhancing fiscal stability and economic growth and reducing poverty and aid dependency. We call on the Platform for Collaboration on Tax, international organizations, and other development partners to strengthen capacity-building frameworks, including those for supporting capacity-building initiatives, while facilitating the effective application of existing internationally recognized taxation principles and dispute resolution mechanisms. We also call on them to facilitate the implementation of progressive tax systems that focus on reducing inequalities and promoting economic growth. We will continue to provide bilateral support to enhance DRM to the countries in need through various initiatives, such as the Tax Inspectors Without Borders programme.
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