50TH SGATAR ANNUAL MEETING
HEADS OF DELEGATIONS FORUM
TUESDAY 16 NOVEMBER 2021

ASIAN DEVELOPMENT BANK
DOMESTIC RESOURCE MOBILIZATION AND
INTERNATIONAL TAX COOPERATION
IN ASIA AND THE PACIFIC

Presented by Mr. Masatsugu Asakawa
President
Asian Development Bank
1. Why domestic resource mobilization and international tax cooperation matter for Asia and the Pacific

2. ADB leadership with the Asia Pacific Tax Hub in supporting ADB developing members through key building blocks

3. Partnership enhancement between ADB and SGATAR
Key Messages:

- Governments are experiencing unprecedented pressure on their domestic financial resources due to the devastating impacts of the pandemic.
- The pandemic has worsened fiscal balances and creates debt sustainability challenges.
Key Messages:

- Asia and the Pacific is falling short on all 17 SDGs.
- Countries need to find ways to secure additional resources to achieve SDGs and other development goals.

Source: Asia and the Pacific SDGs Progress Report 2021, UNESCAP
Key Messages:

- When governments explore additional resources through increasing tax revenues, they need to build and maintain public trust.

- International tax cooperation (ITC) will play a key role in helping our developing member countries work together to (i) close tax loopholes; (ii) combat tax evasion; and (iii) address tax issues in a digitalized economy.

- ITC is especially relevant to economies in Asia and the Pacific but participation in ITC is lagging in this region.

- The lack of stronger engagement and coordination could result in unilateral tax measures increasing the occurrence of double taxation and undermining cross-border trade and investments.

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Status of participation of ADB developing members in international tax fora

Inclusive Framework on BEPS
(141 members as of Nov 2021)

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<th>Non-Member</th>
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<td>26</td>
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As of Nov 2021
43%

The Global Forum
(163 members as of Sep 2021)

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As of Sep 2021
59%

Legend: **BEPS** = Base Erosion and Profit Shifting; **Global Forum** = Global Forum on Transparency and Exchange of Information for Tax Purposes
Source: OECD
Content

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Key Messages:

- The value of existing tax communities in Asia and Pacific region can be enhanced by the existence of a pan-regional collaboration framework.

- The Tax Hub will
  - serve as an open and inclusive platform for (i) strategic policy dialogue; (ii) knowledge sharing; and (iii) development coordination, and
  - support our developing member countries through three key building blocks:

- In coordination with the Tax Hub, ADB will proactively use our technical assistances and financial instruments, such as policy-based and project lending.
Content

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Key Messages:

- ADB and SGATAR have worked closely to promote knowledge sharing and capacity building for its members.

- ADB wish to ramp up our assistance to SGATAR members by supporting implementation of SGATAR capacity building plan.

Capacity Building Workshops for SGATAR members [2020-2021]

500 Government officials from SGATAR members

5 Workshops

18 SGATAR members
High-level regional tax conference is coming soon

We would be honored to welcome the heads of delegations from SGATAR members to our first high-level regional tax conference.

- 24-25 November 2021
- The first organizational event of the Asia Pacific Tax Hub.
- Convene heads of both tax policy and administration from ADB members as well as senior officials from development partners.
Thank you.