

COMMITTEE: Economic and financial

QUESTION OF: Tax Avoidance by Transnational Corporations (TNCs)

SUBMITTED BY: The United Kingdom of Great Britain and Northern Ireland

CO-SUBMITTED BY: Italy, Somalia, and France

SIGNATORIES: Kuwait, Bolivia, Jamaica, Spain, Sweden, USA, Peru, and Mexico

General Assembly,

Emphasizing that taxation accounts for over 50% of government revenue in most countries of the world,

Keeping in mind that the tax avoidance of various TNCs resulted in the global loss of approximately 500 billion to 600 billion U.S. dollars in 2017 alone,

Taking note that global debt had reached at an all-time high of 184 trillion dollars,

Declaring the tax avoidance by various TNCs as exploitation of countries and morally wrong, though technically legal,

1. **Calls** for the implementation of a global unitary tax system in regards to transnational corporations:

- A. A parent company, as well as its subsidiaries and branches, will be treated as a single unit,
- B. The unit will be required to submit a combined report, depicting its activities on a global and national scale,
- C. The unit will be required to submit taxes to various countries in proportion to its activity outlined in the combined report;

2. **Further calls** for the fining of any TNC found to be dishonest in its handling of combined reports:

- A. Fines may vary depending on the extent of the offense,
- B. Fines will reimburse the affected countries,
- C. If tax fraud is suspected The International Criminal Police Organization (Interpol) will investigate to ensure proper taxation;
- D. Calls for a division to be created in Interpol that focuses mainly on TNC's and their tax evasion.

3. **Encourages** all countries to institute a minimum wage designed to maintain all citizens above the poverty line and for developed countries to invest in developing countries which create a minimum wage;
4. **Recommends** that summits of the Committee of Experts on International Cooperation in Tax Matters be held quarterly;
5. **Requests** that transnational corporations release a semi-annual statement addressing the state of their economic affairs to promote transparency.