



# Regional International Tax Cooperation for Global Solutions

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2025

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# Abstract

Global tax governance is undergoing significant transformation, yet decision-making remains concentrated in institutions like the OECD, often sidelining developing regions. Although the UN Framework Convention on International Tax Cooperation signals progress towards more inclusivity, it does not establish a standing global tax body, nor does it address the entrenched power asymmetries that have long disadvantaged developing countries.

This research-based policy brief therefore advocates for the establishment of regional international tax fora across the globe, starting with Africa, Latin America, and the Asia-Pacific, modelled on existing regional economic community structures. Drawing on the AU's evolving tax governance framework and the African Tax Administration Forum's role in policy coordination, this policy brief suggests that regional tax forums can enhance policy coherence, address regional tax challenges, provide a unified voice in global tax negotiations, and further inclusive international tax cooperation.

Such a regional approach aligns with the G20's emphasis on inclusive tax cooperation. The proposal builds on evidence showing that African, Latin American, and Asia-Pacific nations often struggle to benefit from global tax initiatives like Pillar One, which generates minimal tax revenue for developing countries. Instead, countries have increasingly turned to unilateral measures. A coordinated regional tax forum would help harmonise such measures while mitigating risks of tax competition and trade disputes.

In the Asia-Pacific, regional integration efforts demonstrate the region's willingness to embark on regional initiatives. The UN Economic and Social Commission for Asia and the Pacific has already proposed an Asia-Pacific Tax Forum. Meanwhile, the Latin American region has recently established the Platform for Taxation in Latin America and the Caribbean, engaging ministerial and tax administration staff in international tax policy discussions. This policy brief expands on such efforts by outlining decision-making frameworks and technical support mechanisms that would strengthen regional autonomy while at the same time engaging with global tax governance institutions.

By institutionalising regional tax forums, Africa, Latin America, and the Asia-Pacific can amplify their influence in G20-led initiatives, ensure fairer tax policy outcomes, and enhance global tax governance inclusivity. This approach aligns with the G20's agenda of strengthening international cooperation while acknowledging economic and political realities.

**Keywords:** International Tax Cooperation, Governance, Africa, Latin America, Regionalism, Tax Forums.

## Diagnosis

Political relations in international tax cooperation have never been more divided between the Global North and the Global South. Existing global tax policies are failing to support developing countries' revenue-raising efforts while further strengthening those of developed countries.<sup>1</sup> While the UN Framework Convention on International Tax Cooperation (UNFCITC) is a historical step, its processes have often laid bare this divide.

The UNFCITC is designed to create distributive justice in international tax through the creation of fair outcomes,<sup>2</sup> particularly international tax policy instruments that suit the contexts of the countries called to implement them.<sup>3</sup> The UNFCITC's draft Terms of Reference makes this clear with its focus on ensuring that the international tax issues that concern most countries are suitably addressed through the creation of global policies.<sup>4</sup> This interpretation is reinforced by the 2024 G20 Ministerial Declaration, which underscores the expectation that the UNFCITC will prioritise international tax cooperation efforts that are practical and capable of being successfully implemented.<sup>5</sup>

The UNFCITC is not designed to address the political justice concerns that have long undermined international tax governance.<sup>6</sup> Chief among these is the

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<sup>1</sup> Afton Titus, "Global Minimum Corporate Tax: A Death Knell for African Country Tax Policy?" *Intertax* 50, no. 2 (2022): 414–23; Afton Titus, "Pillar Two and African Countries: What Should Their Response Be? A Case for a Regional One," *Intertax* 50, no. 10 (2022): 711–20; Tsilly Dagan, *International Tax Policy: Between Competition and Cooperation* (Cambridge: Cambridge University Press, 2018), 173–74.

<sup>2</sup> Distributive justice means how the burdens and benefits should be distributed in society (See Ivan Ozai, "Two Accounts of International Tax Justice," *Canadian Tax Journal of Law and Jurisprudence* 33 (2020): 317).

<sup>3</sup> Afton Titus, "The Role of the United Nations in Ensuring Equitable Tax Policies for Developing Countries" *Journal of International Economic Law* 27, no. 4 (2024): 624–631.

<sup>4</sup> United Nations General Assembly, "Chair's Proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation," UN Ad Hoc Committee 2<sup>nd</sup> Session UN Doc, A/AC.295/2024/L.4 (2024) (UN Draft ToR); Titus, "The Role of The United Nations".

<sup>5</sup> G20 Brazil, *The Rio De Janeiro G20 Ministerial Declaration on International Tax Cooperation* (2024), 3.

<sup>6</sup> Political justice means the 'conditions for the democratically legitimate exercise of political power, on the grounds that justice is pursued by altering the processes and institutions that produce tax rules and systems – Ozai, "Two Accounts of International Tax Justice".

structural imbalance of power between developed and developing countries,<sup>7</sup> an issue which also plagues existing UN bodies.<sup>8</sup> Further, the UNFCITC does not establish a standing international tax body within the UN system. As Hearson and others have noted, the persistent absence of an inclusive political body for international tax governance risks perpetuating the marginalisation of Global South countries from the core of global tax policymaking.<sup>9</sup>

This institutional gap highlights a deeper failure to align global tax governance with inclusivity. One prominent illustration of this disconnect is the G20's commitment to "strong, sustainable, balanced and inclusive growth".<sup>10</sup> Inclusive growth cannot happen without meaningful inclusivity in international tax policy-making, which entails including many countries in decision-making and agenda-setting on global policy issues.<sup>11</sup> International tax cooperation is a subtheme of Task Force 3 because ensuring a fair and equitable tax system is a key component of financing for development.

This policy brief argues that such a fair and equitable tax system cannot be created globally without the meaningful inclusion of all countries, especially developing countries, at international tax fora, where the tax system's rules are decided. Moreover, this policy brief argues that developing countries should establish their own regional tax fora as a means to counteract the persistent power imbalances that characterise global tax negotiations. Such fora are necessary given the repeated and well-documented failure of existing

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<sup>7</sup> Tarcísio D. Magalhães, "What Is Really Wrong with Global Tax Governance and How to Properly Fix It," *World Tax Journal* 10 (2018): 499–534.

<sup>8</sup> Linda Brosens and Jasper Bossuyt, "Legitimacy in International Tax Law-Making: Can the OECD Remain the Guardian of Open Tax Norms?" *World Tax Journal* 12 (2020): 313, 368.

<sup>9</sup> Martin Hearson et al, "A Fairer Global Tax Architecture," T20 Policy Brief (2024): 5.

<sup>10</sup> G20 South Africa, *G20 South Africa Presidency Concept Note and Calendar* (2025), 7.

<sup>11</sup> Okanga Okanga and Lyla Latief, "Effective Taxation in Africa: Confronting Systemic Vulnerability Through Inclusive Global Tax Governance," *African Journal of International Economic Law* 2 (2021): 100–121.

international tax institutions to reflect the priorities of developing countries.<sup>12</sup> While some regional tax organisations already exist – such as the Network of Tax Organisations – these are primarily technical. What is needed instead are political tax bodies with a mandate to articulate and advance collective positions in global tax governance.

As the 2025 G20 president, South Africa recognises that individual countries cannot thrive alone.<sup>13</sup> Moreover, South Africa seeks to expand the G20 Compact with Africa (CWA) to broaden its membership and include more AU members. In detailing how this may be done, this policy brief speaks to South Africa's G20 presidency themes of solidarity, equality, and sustainability. The brief is people-focused to ensure the equal treatment of all countries in international tax cooperation in a way that future generations may build on.

## How to address the issue

The key to creating more equitable international tax cooperation lies in strengthening regional cooperation.<sup>14</sup>

In Africa, this could be done within the AU.<sup>15</sup> Countries would form working groups aligned with their regional economic communities (RECs) to develop tax policy positions suited to their specific contexts. Although originally focused on tax administration, the African Tax Administration Forum (ATAF) now plays a

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<sup>12</sup> Magalhães, "What Is Really Wrong with Global Tax Governance"; Allison Christians, "Taxation in a Time of Crisis: Policy Leadership from the OECD to the G20," *Northwestern Journal of Law & Social Policy* 5, no. 1 (2010): 19; Stefanie Geringer, "Dissemination of Tax Good Governance Standards by the European Union and the OECD: A Comparative Analysis of Changes in Treatment and Tone," *Bulletin for International Taxation* 77, no. 4 (2023): 148; Rasmus C. Christensen et al, "At the Table, Off the Menu? Assessing the Participation of Lower-Income Countries in Global Tax Negotiations" ICTD Working Paper No. 115 (2020).

<sup>13</sup> G20 South Africa, G20 South Africa Presidency Concept Note and Calendar, 8.

<sup>14</sup> Titus, "From Africa to the World"; Magalhães, "What Is Really Wrong with Global Tax Governance".

<sup>15</sup> Afton Titus, "Decision-Making in a Proposed African Union Tax Governance Structure," in *Redefining Global Governance*, ed. Irma Johanna Mosquera Valderrama (Springer, 2025).

meaningful role in tax policymaking.<sup>16</sup> Accordingly, ATAF would help prevent technical clashes between regional policies and support the formulation of coherent continental positions. For instance, regional tax policies like the use of digital service taxes (DSTs) could be formulated at the working groups to ensure that the taxes are designed to meet regional needs and are suited to regional contexts. Continental tax policies, on the other hand, such as whether African countries should adopt the OECD's Pillar One proposal, could be built on the continental decision whether to do so or not.

Following this, these policies are to be presented at the AU Assembly, where the AU can harmonise these with trade, investment, and developmental policies. Civil society organisations, the African Development Bank, UNECA, and CREDAF could be invited to provide input.

This structure would empower the AU to confidently represent African countries at international tax fora, like the OECD and a possible UN forum. Moreover, this structure would allow the AU to interact with the G20 through the CWA, thereby ensuring the increased representation of AU members within the CWA.

Such regional international tax fora may be duplicated within other regions. For instance, the UN ESCAP has already proposed an Asia-Pacific Tax Forum.<sup>17</sup> Moreover, how this proposed forum could align with the African proposed structure has been discussed and detailed.<sup>18</sup> Specifically, Titus argues that the countries in the Asia-Pacific region should form their own tax forum and that

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<sup>16</sup> See ATAF, *Suggested Approaches to Drafting Domestic Minimum Top-Up Tax Legislation* (2024); ATAF, *Responding to the Implementation of the Global Minimum Taxation: Policy Considerations* (2023); ATAF, *The Place of Africa in the Shift Towards Global Tax Governance* (2019).

<sup>17</sup> United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Secretariat, *The Asia-Pacific Tax Forum for Sustainable Development (AP-TFSD): A Proposal*, March 2016, <https://repository.unescap.org/handle/20.500.12870/1270?show=full>.

<sup>18</sup> Afton Titus, "A New Model for Tax Governance from Africa to the Asia-Pacific," *Bulletin for International Taxation* 78, nos. 9/10 (2024): 394–404.

countries should participate regionally. Such regional working groups are to be supported by regional tax organisations and an advisory board, consisting of tax experts, civil society organisations (to the extent possible), and other stakeholder institutions.

Similarly, in Latin America, policy coordination could happen at the level of the Platform for Taxation in Latin America and the Caribbean (PTLAC), where finance ministries and tax administrations meet with civil society and the private sector to discuss the best tax policy decisions for the region. Analyses are conducted by the PTLAC working groups. Furthermore, the Centro Interamericano de Administraciones Tributarias (CIAT) could help coordinate the administration of policy decisions, and the PTLAC could coordinate interregional and inter institutional coordination with the AU, the Group of Latin American and Caribbean countries (GRULAC), and G77 at the UN, and the G24 for other fora.

To realise a more just international tax order, regional tax cooperation must be prioritised and institutionalised. African countries, through the AU and ATAF, should urgently formalise the proposed governance structure to consolidate their collective voice. Other regions should follow suit, building regional tax fora tailored to their contexts. These structures must be transparent, inclusive of civil society, and empowered to engage globally. The G20, UN, and OECD must support these efforts – not as passive observers, but as active partners in reshaping global tax governance. The time to act is now, before today’s opportunity for reform becomes tomorrow’s lost potential.

## **Recommendations**

This policy brief proposes the following recommendations for the G20:

## **Action 1: Expand the Compact with Africa (CwA) to incorporate international tax coordination structures led by the AU, including ATAF, UNECA, and the African Development Bank**

This would support South Africa's aim to broaden AU participation in the CWA and increase developing countries' influence on global tax policymaking.

## **Action 2: Endorse and fund the development of regional international tax fora – beginning with Africa, Latin America, and the Asia-Pacific – modelled on existing RECs**

Regional fora enhance policy coherence and empower developing countries to speak with a unified voice.<sup>19</sup> South Africa's G20 presidency stresses multilateralism rooted in African values like ubuntu and supports inclusive governance structures. Backing such regional efforts would further political justice, counterbalance the OECD's dominance, and help operationalise inclusive global tax cooperation.

## **Action 3: Include regional fora in G20 agenda-setting**

The G20 should commit to inviting representatives from regional tax fora (e.g. ATAF and PTLAC) to participate in G20/OECD tax deliberations, including the Inclusive Framework.

The research is clear that developing countries need to be involved in agenda-setting, not just implementation.<sup>20</sup> Such involvement would work towards

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<sup>19</sup> Afton Titus, "Embracing the African Union and the African Tax Administration Forum in Tax Governance," in *Taxing People – The Next 100 Years*, ed. Tsilly Dagan and Ruth Mason (forthcoming).

<sup>20</sup> Ivan Ozai, "Institutional and Structural Legitimacy Deficits in the International Tax Regime," *World Tax Journal* 12 (2020): 53.



reducing global inequality and creating fair international tax systems that are designed to benefit all and not just a few countries. Moreover, this action would enhance legitimacy and inclusivity in G20 deliberations.

### **Action 4: Establish a G20 working group on inclusive tax governance structures**

This group would explore models of inclusive tax cooperation, including regional mechanisms interacting with the UNFCITC, and help institutionalise reform.

### **Action 5: Fund feasibility studies comparing Pillar One, DSTs and Significant Economic Presence (SEP)<sup>21</sup> models in developing countries**

Such evidence-based analysis would support better decisions on fiscal sustainability and align with South Africa's G20 priorities.

## **Conclusion**

A fair international tax system demands that developing countries be meaningfully included in agenda-setting and decision-making processes. Regional cooperation offers a pathway to achieve this.

In Africa, a coordinated governance structure under the AU – with technical support from ATAF and policy input from RECs – could allow the continent to speak with a unified voice at global tax fora. Asia-Pacific and Latin America have

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<sup>21</sup> The Significant Economic Presence rule aims to subject non-resident providers—particularly of digital services—to tax in the country where those services are consumed by establishing a sufficient level of economic interaction or nexus with that country. See Allison Christians and Kimia Towfigh, "Significant Economic Presence (SEP): Threshold to Taxing Digital Profits," *The CTF Digital Tax Log*, [https://www.ctf.ca/EN/EN/Newsletters/Blogs\\_and\\_Reports/Digital\\_Services\\_Updates/Entries/Entry04.aspx](https://www.ctf.ca/EN/EN/Newsletters/Blogs_and_Reports/Digital_Services_Updates/Entries/Entry04.aspx).

already taken steps toward such regional coordination and could further institutionalise their efforts.

South Africa's G20 presidency presents a unique opportunity to promote this model globally. Rooted in solidarity and sustainability, this vision reflects developing countries' ambitions for self-determined development and a more equitable global tax order.

## T20 South Africa Convenors

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The Institute for Global Dialogue  
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The Institute for Pan-African  
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