

1. *Records* its deep concern over the delay in the replenishment of International Development Association funds; and

2. *Appeals* to Governments, members of the International Development Association, to treat the question of further increasing the resources of the Association as a matter of high priority.

1506th plenary meeting,
4 August 1967.

1273 (XLIII). Tax treaties between developed and developing countries

The Economic and Social Council,

Recalling General Assembly resolution 2087 (XX) of 20 December 1965 on Financing of Economic Development,

Noting the report of the Committee for Programme and Co-ordination on the first part of its first session in which the Committee recognized "the importance of the work in the fiscal and financial field" and suggested "that particular attention should be paid to the question of tax agreements between developed and developing countries, since this was an area of high priority and the usual type of international tax agreement was conceived in terms of relationships between two developed countries",²²

Believing that there would be real advantage to all Governments of States Members of the United Nations if unilateral relief from double taxation were replaced by bilateral or multilateral agreements,

Noting with interest the Secretary-General's report prepared in response to the above-mentioned resolution

²² See *Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 9 (E/4383)*, para. 123.

which pointed out that "the traditional tax conventions have not commended themselves to developing countries" and concluded that "it is important to search for a more appropriate treaty pattern".²³

Confident that tax treaties between developed and developing countries can serve to promote the flow of investment useful to the economic development of the latter, especially if the treaties provide for favourable tax treatment to such investments on the part of the countries of origin, both by outright tax relief and by measures which would assure to them the full benefit of any tax incentives allowed by the country of investment,

Recognizing the need for assisting interested Governments of Member States in this respect,

1. *Requests* the Secretary-General to set up an *ad hoc* working group consisting of experts and tax administrators nominated by Governments, but acting in their personal capacity, both from developed and developing countries and adequately representing different regions and tax systems, with the task of exploring, in consultation with interested international agencies, ways and means for facilitating the conclusion of tax treaties between developed and developing countries, including the formulation, as appropriate, of possible guidelines and techniques for use in such tax treaties which would be acceptable to both groups of countries and would fully safeguard their respective revenue interests;

2. *Further requests* the Secretary-General to submit to the Council a report on the progress of the group's work after its first session.

1507th plenary meeting,
4 August 1967.

²³ E/4293, paras. 76 and 138.

OTHER DECISIONS

Postponement of agenda item 22

At its 1505th meeting, on 3 August 1967, the Council decided to defer until its forty-fifth session consideration of item 22 of its agenda concerning the question of a meeting of the *ad hoc* Working Group on the Question of a Declaration on International Economic Development.

Flow of resources to developing countries

At its 1506th meeting, on 4 August 1967, the Council noted with appreciation the documents submitted to it on the subject of the flow of resources to developing countries: "International flow of long-term capital and official donations; 1961-1966: report of the Secretary-General"²⁴, "Outflow of capital from the developing

²⁴ E/4371 and Corr. 1. To be issued as a United Nations publication.

countries: a progress report by the Secretary-General"²⁵ and "Factors affecting ability of developed countries to provide resources to the developing countries: report of the Secretary-General",²⁶ and expressed the hope that the Secretary-General would continue to work on the problems in question in the light of Council resolution 1183 (XLI) of 5 August 1966 and report to the Council at its forty-fifth session.

International Symposium on Industrial Development

At its 1506th meeting, on 4 August 1967, the Council decided to recommend to the General Assembly to consider early at its twenty-second session such additional information as the Executive Director of the United Nations Industrial Development Organization may pro-

²⁵ *Official Records of the Economic and Social Council, Forty-third Session, Annexes*, agenda item 5, document E/4374; and E/4374/Add.1.

²⁶ *Ibid.*, document E/4375