

The Islamic Republic of Iran, China and the Russian Federation Expressed Opposition to the Entire text of the Resolution

Building a Fair and Sustainable Global Economy: The Role of Parliaments in Combating Protectionism, Reducing Tariffs and Preventing Corporate Tax Avoidance

Committee on Sustainable Development

Resolution adopted unanimously by the 152nd IPU Assembly (Istanbul, 19 April 2026)

The 152nd Assembly of the Inter-Parliamentary Union,

Recognizing that predictable and rules-based international trade has been an important driver of economic growth, job creation, poverty reduction, and the generation of public revenue for financing sustainable and inclusive development and for meeting sovereign debt obligations worldwide, particularly for developing countries, by fostering specialization, industrialization, innovation, and integration into global value chains,

Recognizing also the commitment to reducing inequality within and among countries, as expressed in the 2030 Agenda for Sustainable Development, *recalling* the Doha Declaration on Financing for Development, insofar as it reaffirms the importance of strengthening domestic tax legislation, *recalling also* the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which explicitly recognizes that each country has primary responsibility for its own development and which highlights the role of domestic public resource mobilization, and *noting* the renewed engagements arising from the Sevilla Commitment, adopted at the Fourth International Conference on Financing for Development, to the global financing for development framework, insofar as they call for a focus on concrete actions such as catalysing sustainable development investment and addressing debt distress, as well as on structural measures such as reforming the global financial architecture and ensuring fair and effective taxation practices to close the financing gap for the Sustainable Development Goals (SDGs),

Acknowledging that good-faith tax planning that respects both the letter and spirit of democratically enacted tax legislation remains a normal and lawful aspect of economic activity,

Acknowledging also the World Trade Organization's (WTO) *Joint statement on promoting inclusive and sustainable trade through gender equality and building a gender-responsive WTO by the Co-Chairs of the Informal Working Group on Trade and Gender*, and *noting* that women are disproportionately affected by inequitable trade, economic and tax policies,

Concerned by the fact that certain multinational corporations, including digital enterprises, undertake tax avoidance practices that go beyond acceptable tax planning and intentionally bypass the spirit of domestic tax legislation in order to pay little or no tax, thereby denying States tax revenue, which is a primary, essential and sustainable source of development funding,

Emphasizing that international and regional cooperation, the exchange of information and best practice, and transparency are valuable in addressing tax avoidance practices that circumvent the spirit and purpose of the law,

Recognizing the importance of corporations adopting a law-abiding approach in fulfilment of their reciprocal obligations to the State and its citizenry, including the payment of tax and adherence to labour laws and other domestic laws, as part of their contribution to the public good in return for access to domestic markets in which to conduct business,

Noting that 148 countries and jurisdictions are working together within the Organisation for Economic Co-operation and Development (OECD) and G20 Inclusive Framework on Base Erosion and Profit Shifting and have agreed on key elements of a package that charts a course forward for the coordinated operation of a global minimum tax rate of 15% on the profits of multinational enterprises in the context of a digitalized and globalized economy,

Noting also the ongoing negotiations towards a United Nations framework convention on international tax cooperation, which are scheduled to continue into 2027, and *recognizing* that taxation constitutes a central component of public finance systems and an important means for governments to fund public services and pursue internationally agreed development objectives, including the SDGs,

Acknowledging that all States have the sovereign right to design, implement and enforce their own trade, industrial and tax policies in accordance with democratically enacted legislation, including the appropriate use of WTO-consistent trade remedies and other legitimate national public policy measures, such as the prevention of forced labour, *affirming* that transparent and well-functioning domestic tax systems are an essential component of the citizen-State relationship and a foundation for financing public goods and services and social development, and *recognizing* that all States have a sovereign right to tax the income of multinational corporations, including digital enterprises, operating in their jurisdiction as part of a fair, equitable, progressive and transparent domestic taxation regime,

Emphasizing that the expansion of trade and global economic integration have contributed over recent decades to lifting more than one billion people out of extreme poverty, improving real incomes and living standards in many regions of the world,

Recognizing the growing role of the digital economy, innovation ecosystems, financial technology and sustainable technologies in shaping global trade, strengthening supply chains and supporting inclusive economic growth,

Noting that analysis by leading international institutions, including the World Bank, the International Monetary Fund and the WTO, demonstrates that trade openness creates the necessary environment for stronger economic growth, thereby fostering higher living standards and quality employment opportunities for millions of people,

Affirming that an open, predictable, rules-based, non-discriminatory, fair, inclusive, equitable, sustainable and transparent multilateral trading system, with the WTO at its core, together with full respect for national sovereignty and the right of each State to define its own economic, commercial, industrial and tax policies in accordance with democratically enacted legislation and with international law, constitute complementary pillars of a fair and sustainable global economy, and that such a system supports sustainable development,

Concerned by the growing resort to unilateral, coercive and retaliatory protectionist measures, including tariff and non-tariff barriers, which distort trade and competition, deepen inequalities, undermine and weaken the rules-based international trading system and multilateral cooperation, escalate tensions between States, generate uncertainty for businesses, workers and consumers, and impede sustainable development, particularly in developing countries,

Recognizing that the destruction of civilian, trade-related and other critical infrastructure, including ports, pipelines, logistics corridors and energy networks, severely disrupts international trade flows, undermines economic stability, threatens global food and supply chain security, and impedes progress towards the SDGs,

Deploing the fact that tax avoidance practices that intentionally bypass the spirit of the law limit the amount of revenue collected by States, contributing to the erosion of the rule of law, democracy and institutional capacity,

Acknowledging that free and fair trade enables countries to specialize in areas where they have a comparative and competitive advantage, thereby boosting productivity, optimizing the use of resources and allowing producers to retain more value along global value chains, while offering consumers a wider variety of goods, including food, as well as better healthcare and other services, at more affordable prices,

Recognizing women's vital role as workers, business owners and entrepreneurs, and *affirming* that trade and tax policies that promote the full participation of women at all socio-economic levels are one of the key tools for promoting gender equality and an increase in economic activity,

Alarmed by the risk that prolonged "trade wars", the escalation of protectionist policies and rising geopolitical tensions could increase the probability of a global economic downturn, with severe consequences for growth, employment, price stability and poverty reduction efforts,

1. *Urges* parliaments to defend an open, rules-based and non-discriminatory multilateral trading system as a vital tool for prosperity, poverty reduction, value creation and sustainable development;

2. *Encourages* parliaments, in accordance with their respective constitutional mandates and national circumstances, to follow and engage with the negotiations on the OECD and UN frameworks on international tax cooperation, including through parliamentary scrutiny of government positions, dialogue with relevant ministries and experts, and other appropriate forms of parliamentary involvement, with a view to supporting informed decision-making, as well as transparency and accountability, in international cooperation on tax matters;

3. *Calls upon* national governments to combat protectionism and to facilitate global trade by progressively reducing tariffs and removing unjustified non-tariff barriers, particularly those that restrict market access for developing and least developed countries, in conformity with WTO rules;

4. *Calls for* the strengthening of international and regional cooperation, in line with existing multilateral exchange frameworks developed by the OECD and the UN, as well as with domestic legal frameworks, to limit opportunities for multinational corporations,

including digital enterprises, to engage in artificial profit-shifting arrangements that deliberately seek to bypass the letter, spirit and purpose of the law to the detriment of the people of the country in which the profit is acquired;

5. *Calls upon* the parliaments of States that have not yet signed the Convention on Mutual Administrative Assistance in Tax Matters to urge their governments to do so;

6. *Encourages* parliaments to support measures that facilitate trade, including the simplification and digitalization of customs procedures, the improvement of infrastructure and logistics, and the reduction of unnecessary administrative obstacles to cross-border trade;

7. *Also encourages* parliaments to promote fair trade as an essential means of strengthening supply chain resilience and reducing vulnerabilities arising from concentrated dependencies;

8. *Requests* States to strengthen capacity, increase resources and modernize frameworks to address artificial and abusive arrangements and practices such as transfer mispricing, artificial risk transfers, abusive debt shifting through intracompany financing, and the deliberate avoidance of permanent establishment status, while reaffirming the legitimacy of lawful tax planning and investment structuring, as well as the sovereign right of each State to design its own tax system and engage in fair and transparent tax competition;

9. *Calls upon* parliaments to ensure that anti-tax-avoidance measures are supported by establishing proportionate and effective penalties that serve as credible deterrents, by reinforcing corporate accountability mechanisms, by safeguarding access to independent judicial review, and by providing strong and comprehensive protections for whistle-blowers;

10. *Also calls upon* parliaments to assess the effects of digitalization, including the use of artificial intelligence technologies and algorithms, on tax avoidance practices, to address the challenges of ensuring fair taxation of digital services and the digital economy, and to strengthen legislative and oversight arrangements to prevent abusive behaviours;

11. *Urges* States to preserve and improve access to essential goods, including food, medicines, vaccines and strategic inputs, at affordable prices, and to refrain from trade measures that disproportionately restrict availability, increase costs or exacerbate food and health insecurity, and *calls upon* parliaments to safeguard international trade routes and commercial infrastructure against disruption, obstructions or blockades;

12. *Calls upon* parliaments to identify the legislative, administrative and regulatory gaps that allow for aggressive tax avoidance practices that intentionally bypass the spirit of the law in their respective economies and to take appropriate steps to close such gaps;

13. *Calls upon* parliaments and national governments to ensure that domestic laws promote gender equality, that international trade agreements include gender-related provisions, and that national budgets as well as trade and tax policies are gender-responsive;

14. *Calls for* the provision of skills development, entrepreneurship and leadership opportunities for women in trade;

15. *Encourages* parliaments to systematically assess the impact of trade measures and tax policies on poverty, gender equality, energy security, and economic and sustainable development, on the situation of vulnerable groups, including through sex-disaggregated data, and on employment, employability and access to education for youth, and *also encourages* parliaments to promote complementary domestic policies and social protection measures to ensure that the benefits of trade lead to growth-led, inclusive outcomes for the population, especially for emerging generations;

16. *Urges* States to support WTO reform, with a fully and well-functioning dispute settlement system accessible to all members, and *reaffirms* the centrality of the development dimension of the WTO in facilitating trade and investment liberalization, particularly in the interests of developing countries;

17. *Encourages* developed countries and international financial institutions to provide, on mutually agreed terms, adequate and sustained technical assistance, capacity-building and technology transfer to support developing and least developed countries in implementing modern tax and trade rules, in strengthening enforcement mechanisms, and in building the institutional infrastructure needed to fully participate in, and benefit from, the global economic system;

18. *Invites* the Inter-Parliamentary Union and its Member Parliaments to intensify inter-parliamentary dialogue on trade, taxation and development, to share best practices and to reinforce the role of parliaments as guarantors of the balance between economic openness, national sovereignty, and tax fairness and effectiveness.