

## **Spain and Brazil present an initiative to promote a more effective taxation of the super-rich worldwide**

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- **The proposal, presented jointly by the governments of Spain and Brazil, is part of the Seville Platform for Action, which brings together multilateral actions to promote the achievement of the Sustainable Development Goals (SDGs)**
- **The joint initiative highlights the need to address the problem of growing extreme inequality and achieve greater wealth redistribution through progressive tax systems**
- **The measure is in line with the G20 agreement reached in Rio de Janeiro in 2024, where for the first time they agreed to cooperate in implementing an effective tax agenda for high-net-worth individuals**
- **The objective is for more countries, as well as international organizations and civil society entities, to join this initiative to promote and evaluate legislative initiatives related to the taxation of the ultra-rich**

Spain and Brazil's governments have presented a joint initiative within the framework of the UN's Fourth International Conference on Financing for Development, being held in Seville, to promote greater global taxation of the super-rich. The objective of this proposal is to contribute to the wealth redistribution that will address the growing problem of inequality. To achieve this, it is necessary to foster a multilateral debate on more effective taxation of large estates that guarantees social cohesion in each country. This initiative aims to deepen one of the commitments contained in the Seville Consensus, ratified by 192 countries.

Specifically, the proposal from Spain and Brazil was presented under the title 'Effective Taxation of High-Net-Worth Individuals. Taxes on the Super-Rich'. This initiative, led by the First Vice President of the Government and Minister of Finance of Spain, María Jesús Montero, the Minister of Economy of Spain, Carlos Cuerpo, and the Minister of Finance of Brazil, Fernando Haddad, aims to promote an international debate to ensure progressivity

and efficiency in all tax systems with the aim of reducing social inequality worldwide. To this end, the focus is on the taxation of high-net-worth individuals.

This initiative, presented in Seville by the Vice-Minister of Finance, Jesús Gascón, and the Minister-Counselor of the Permanent Mission of Brazil to the UN, José Scandiucci (Tuesday, July 1, from 12:20 to 12:50 in the Initiative Announcement Room, Hall 2, FIBES 1), is part of the Seville Platform for Action (SPA), a collaborative tool launched during these sessions held in the Andalusian capital to enable countries to launch voluntary initiatives to promote compliance with the Sustainable Development Goals (SDGs).

The proposal put forward by Spain and Brazil is based on the need to address the problem of extreme inequality and achieve a more effective wealth redistribution through a progressive and fair tax system where those who have more pay more. In this sense, the text of the initiative recalls that currently the richest 1% of the world owns more wealth than the rest of humanity. In this regard, it is worth remembering that at the 2024 G20 leaders' meeting in Rio de Janeiro, a historic collective agreement was reached for the first time to cooperate in implementing an effective tax agenda for HNWIs (high-net-worth individuals). Therefore, the Spanish-Brazilian proposal follows the path forged by the G20 and seeks to deepen that agreement.

### **Inequality threatens trust in democracy**

The declaration presented by Spain and Brazil argues that without action, "extreme inequality will continue to increase, undermining growth, sustainability, and public trust in democracy." One of the causes of this growing inequality is the low contributions of high-net-worth individuals, who often enjoy effective tax rates significantly lower than the average worker or citizen.

To correct this situation, the proposal aims to incentivize and guide different countries to join the initiative and address policy, administrative, and data deficiencies, ensuring that high-net-worth individuals are taxed more efficiently in line with their wealth. To achieve this, it is necessary to foster international cooperation in multilateral forums to promote and facilitate the implementation of evidence-based reforms and ongoing experiences regarding the taxation of large fortunes in different countries.

To combat inequality, it is essential to have information that allows for a detailed diagnosis of the global situation. Therefore, one of the objectives of this initiative is to gather data to address this problem with maximum precision. In this regard, the proposal aims to identify the concentration of wealth in different countries, compile data on effective tax rates in different countries, and commission comparable research across countries, including the fight against inequality and the implementation of progressive taxation.

## **Engaging international organizations and civil society**

To promote this proposal by Spain and Brazil within the framework of the International Conference on Financing for Development in Seville, it has been agreed to develop a work plan to advance the initiative within three months. Furthermore, the proponent countries will meet periodically, and at least once a year, in face-to-face meetings.

The objective is to gradually have more countries join this initiative so that we can evaluate the legislative initiatives regarding the taxation of large estates that arise in each territory. This initiative is also open to civil society and international institutions and organizations, as one of its key objectives is to strengthen multilateralism and international cooperation.

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