

WHAT DOES THE COMMITTEE DO?

The UN Committee generates **practical guidance** for governments, tax administrators and tax payers on fundamental and frontier issues in international tax cooperation. It operates within the broader efforts to **mobilize financing** and **other support** for **sustainable development**. It works by advancing deep understanding and technical mastery of the issues, to support effective mobilization of domestic resources on the ground, especially in least developed countries and others in special situations.

The Committee seeks to help prevent both “double taxation” and non-taxation. It works hard to produce guidance that is relatively simple to understand and feasible to administer. Much of the work is carried out through its subcommittees set up to deal with specific issues. During its 18th session, the Committee will review draft chapters for several handbooks, manuals and guidelines in the pipeline and expected to be ready in 2020 and 2021, when it concludes its current four-year term. Draft chapters or papers on the topics highlighted below will be the backbone of the session.

WHAT'S ON THE AGENDA FOR ITS 18TH SESSION?

Taxation and SDGs

Tuesday, 23 April, 10:30 – 11:30

The Committee has embraced its special responsibility to frame its work and guidance in the context of sustainable development, and to craft and communicate its work in these terms. The Committee will discuss the role of taxation in **effectively raising domestic resources to finance the Sustainable Development Goals**. It will address specific issues of **environmental taxation**, the **informal economy** and **gender equality**. This will feed into broad multi-stakeholder discussion on Tax and SDGs during the 2019 ECOSOC Special Meeting on international cooperation on tax matters, to take place on 29 April 2019.

Extractive Industries Taxation

Wednesday, 24 April, 10:00 – 11:30

As part of its effort to continuously improve the quality of its guidance and responsiveness to changing contexts and country needs, the Committee is updating its **Handbook on Extractive Industries Taxation Issues for Developing Countries**. Building on its latest subcommittee meeting held in Da Nang, Vietnam on 7-8 March, the Committee will review a draft of a new chapter on **tax treatment of subcontractors and service providers**. It will also review detailed outlines of chapters on **production sharing agreements** and **tax treatment of financial transactions in extractive industries**.

Manual on Transfer Pricing (profit shifting)

Wednesday, 24 April, 11:45 – 13:00 and 15:00 – 15:30

The Committee has developed a practical approach to address the complex issue of profit shifting, one that adheres to the “arm’s length” principle: **comparing actual pricing** with **what such pricing would be** in a **competitive market**. It works now on a new version of the Manual, even more usable and practical, including new content on financial transactions and profit splits. The Committee will assess the work progress with a report from the subcommittee meeting held in Vienna on 20-22 February and review draft chapters on **financial instruments** and **profit splits**.

Tax consequences of the digitalized economy

Wednesday, 24 April, 15:30 – 18:00 and Thursday, 25 April, 10:00 – 11:15

Meeting on 16-18 January at the Nigerian Embassy in Paris, the subcommittee identified the basic tax challenge of the digitalized economy in the following way: **the inability of countries to tax profits of certain new business models not requiring a physical presence in that market to derive such profits**. Existing international tax treaties rely heavily on physical presence as the basis for taxing business profits made in country by a foreign entity. The Committee will discuss a subcommittee paper summing up different proposals and perspectives on the issue as potential bases for Committee guidance. This will also feed discussion at the ECOSOC Special Meeting, focused on how proposals by various organizations and groups, including the Committee, may impact the revenues of countries at different levels of development and in different country contexts.

The Update of the UN Model Double Taxation Convention

Thursday, 25 April, 11:30 – 13:00 and 15:00 – 15:45

The Committee will discuss key topics that will be part of the update of the UN Model Double Taxation Convention between Developed and Developing Countries, widely drawn upon by developing countries in their treaties. The Committee will discuss: possible changes to the commentary to Article 5 (**Permanent establishment**); the concept of "**beneficial ownership**;" and the modification in Article 13 (**Capital gains**) of the UN Model, regarding gains on offshore indirect transfers of assets other than immovable property situated in source country.

Dispute avoidance and resolution

Thursday, 25 April, 16:00 – 17:15

The Committee provides practical guidance on **avoiding** and **resolving tax disputes** between countries. During this session, it will review and aim to finalize a draft chapter on **Mutual Agreement Procedure (MAP)**, the focus of a subcommittee meeting held in London on 13-15 March.

Environmental Taxation

Friday, 26 April, 10:00 - 11:30

The Committee will discuss key topics in environmental taxation, including **how to levy a carbon tax, who should pay the tax, how any tax exemption would work** and **what would be the appropriate tax rate** depending on the country context. Discussion will be based on the report of the latest subcommittee meeting, held in Paris on 21-22 January. Taxation and environmental protection will be further discussed during the ECOSOC Special Meeting.

The taxation of Official Development Projects

Friday, 26 April, 11:45 - 13:00

The Addis Agenda encourages countries not to request tax exemptions on goods and services delivered as government-to-government aid, starting with renouncing repayments of value-added taxes and import levies. A subcommittee which met in London on 10-12 March has updated and expanded previous draft guidelines that seek to address comprehensively the issue of **special exemptions claimed for ODA projects**. The Committee will discuss these draft guidelines, with a view to their approval in 2020.

Capacity-building

Friday, 26 April, 15:00 - 16:30

UN DESA provides training and technical cooperation activities on tax matters at the global, regional and national levels, plus capacity building tools, including on-line courses and publications. For more information see [here](#). The Committee will discuss how to further strengthen the **dynamic** between its **policy work** and related activities of the UN-DESA **capacity development programme**, including to support the UN Secretary-General's Strategy on Financing the 2030 Agenda (2018-2021). UN-DESA's contribution to the work of the **Platform for Collaboration on Tax** (a collaborative initiative of the IMF, OECD, UN and World Bank) will also be discussed, including joint tax capacity-building efforts. For more information on the Platform, see [here](#).

For more information, please see [here](#) or email us taxcommittee@un.org.



United Nations

Department of
Economic and
Social Affairs