



Adapting to Changing Times: From Remote to Automated Digital Services and Beyond

Launch Event for the 2021 United Nations Model Double Taxation Convention Between Developed and Developing Countries

26 April 2022

Virtual Event (9:00 a.m. – 11:30 a.m. New York Time)

Background

As an inclusive body that is representative of developed and developing countries, the United Nations Committee of Experts on International Cooperation in Tax Matters delivers policy guidance to countries, assisting in their efforts to implement more efficient and effective tax systems. The Committee assists countries to broaden their tax base, strengthen their tax administrations and curb international tax evasion and avoidance. It also provides guidance in using taxation to achieve certain health or environmental goals. Its work is closely linked to achieving the Sustainable Development Goals and addressing impediments to that, including shocks to international and domestic systems such as the COVID-19 pandemic.

The UN Model Double Taxation Convention Between Developed and Developing Countries assists countries negotiating and concluding bilateral tax treaties. The UN Model Convention provides guidance on how to allocate taxing rights between the country where income arises (so-called “source state”) and the country where the investment comes from (so-called “residence state”) for different kinds of income and capital and establishes how double taxation will be eliminated. It also includes articles that prevent certain forms of tax discrimination and treaty abuse, provides for the exchange of tax information and allows treaty partners to resolve disputes through the Mutual Agreement Procedure. The UN Model generally favours the retention of source over residence country taxing rights, thereby increasing tax revenues and contributing to their mobilization of domestic resources for sustainable development.

The UN Tax Committee regularly reviews and updates the UN Model to respond to and reflect changes in investment behaviour and business models, ensuring to provide apt guidance that reflects developing countries’ realities. The UN Tax Committee published the fifth edition of the UN Model in 2021. The dynamic new article 12B on the taxation of income from automated digital services, provides a bilateral solution to the taxation of digital business models that preserves the operation of domestic tax law in taxing digital services without a physical presence therein. The new article provides a simple and practical solution for developing countries to address the covered transactions. Furthermore, the 2021 Model expands the 2017 version to include wording which developing countries can incorporate in tax treaties on gains on so-called “offshore indirect transfers”. It also features new guidance on the application and interpretation of the definition of permanent establishment, the concept of beneficial owner, and the application of the Model’s provisions to collective investment vehicles, pension funds and real estate investment trusts.

The latest edition of the UN Model is a culmination of four years of work by the 2017-2021 Membership of the UN Tax Committee and its Subcommittees, supported by the Norwegian Agency for Development Cooperation (Norad), the European Commission and the government of India.

The English version of the 2021 UN Model is available in [electronic format](#), with French and Spanish versions to follow in 2022.

Launch Event

The Launch Event will feature expert voices and a panel discussion.

The Expert Tax Voices will spotlight new aspects of the UN Model Taxation Convention, such as those dealing with treatment of automated digital services (Article 12B), offshore indirect transfers, as well as tax aspects related to collective investment vehicles (CIVs) and pension funds. In the videos, experts will introduce the new aspects, share insights into the drafting process and briefly explain what the changes entail.

Afterwards, the forward-looking round-table discussion on the UN Model Taxation Convention will address cutting-edge issues critical for developing countries for a fair and effective international tax system.

The event will take place alongside the [2022 ECOSOC Forum on Financing For Development](#) and will be held via Zoom. It is open to all UN Member States and interested stakeholders. Please register [here](#).

AGENDA

TIME SLOT	SESSION
9:00 a.m. – 9:10 am	<p>INTRODUCTION AND WELCOME</p> <ul style="list-style-type: none"> ■ Ms. Carmel Peters, Former Co-Chairperson, UN Tax Committee (2017-2021), Coordinator of the Subcommittee on the UN Model Convention (2017-2021) and Policy Manager, Inland Revenue, New Zealand)
9:10 a.m. – 10:00 a.m.	<p>EXPERT TAX VOICES</p> <p>Brief introduction of the UN Model</p> <ul style="list-style-type: none"> ■ Mr. Michael Lennard, Secretary of the UN Tax Committee, Chief, International Tax Cooperation Unit, Financing for Sustainable Development Office, UNDESA <p>Video: Taxation of technical and automated digital services (Article 12A & 12B)</p> <ul style="list-style-type: none"> ■ Ms. Liselott Kana, Head of Department of International Taxation, Internal Revenue Service, Chile ■ Mr. Lutando Mvovo, Executive Head of International Tax, Vodacom, South Africa ■ Mr. Rajat Bansal, Principal Chief Commissioner of Income Tax, India <p>Video: Offshore indirect transfers</p> <ul style="list-style-type: none"> ■ Mr. Enrique Pintado, Chief Counsel, Peruvian Tax Administration (SUNAT), Peru ■ Mr. Jacques Sasseville, Lecturer, Vienna University of Economics and Business ■ Mr. Daniel Mulé, Policy Lead, Extractive Industries Tax and Transparency, OXFAM <p>Video: Collective investment vehicles (CIVs) and pension funds</p> <ul style="list-style-type: none"> ■ Ms. Stephanie Smith, Senior Director, Tax Treaties, Tax Policy Branch, Department of Finance, Canada ■ Mr. Keith Lawson, Deputy General Counsel, Tax Law, Investment Company Institute / ICI Global
10:00 a.m. – 11:10 a.m.	<p>PANEL DISCUSSION</p> <ul style="list-style-type: none"> ■ What key policy and administrative provisions of the UN Model Convention make it unique, particularly in fostering the domestic resource mobilization needs of developing countries? ■ What are the relevant issues in the area of double tax treaties for developing countries and how might the UN Tax Committee and UN DESA capacity development address them? ■ What is the future of bilateral tax treaties in light of multilateralism in tax matters? ■ How do the UN Model Convention and other guidance products published by the UN Tax Committee interact to help developing countries negotiate and apply tax treaties? ■ What are the challenges brought about by the COVID-19 pandemic for the UN Model? <p><u>Moderator</u></p> <ul style="list-style-type: none"> ■ Ms. Patricia Brown, Inter-regional Advisor on Tax Matters, Financing for Sustainable Development Office, UNDESA <p><u>Panellists</u></p> <ul style="list-style-type: none"> ■ Ms. Mya Mya Oo, Deputy Director General, Internal Revenue Department, Ministry of Planning, Finance and Industry, Myanmar ■ Mr. Armando Lara Yaffar, Partner International Tax, KPMG Mexico ■ Ms. Kapembwa Namuyemba-Sikombe, Principal Budget Analyst, Zambia ■ Mr. Christian Kaeser, Chairman, ICC Taxation Commission
11:10 a.m. – 11:25 a.m.	<p>Q&A WITH PANELLISTS</p>
11:25 a.m. – 11:30 a.m.	<p>CLOSING REMARKS</p> <ul style="list-style-type: none"> ■ Mr. Navid Hanif, Director, Financing for Sustainable Development Office, UNDESA