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**Committee of Experts on International
Cooperation in Tax Matters
Twenty-fourth session**

Virtual meetings of 4-7 and 11-12 April 2022

Item 3 (h) of the provisional agenda

Dispute Avoidance & Resolution.

Co-Coordinator's Report

Summary

This report is for *discussion and approval* purposes.

The Small group on dispute avoidance and resolution appraises the Committee of its progress so far and seeks approval of the proposed course of action.

Background and Subcommittee Mandate

1. At the 23rd session of the Committee in October 2021, the secretariat provided a paper on Dispute Avoidance & Resolution ([E/C.18/2021/CRP.27](#)) That paper provided an outline of the work of the previous Subcommittee on Dispute Avoidance & Resolution .

2. As noted in the [Report on the twenty-third session](#), after some discussion, the Committee established a small group on dispute avoidance and resolution, with Mr. Protto and Mr. Roelofsen as Co-Coordinator, and with the following mandate:

“The mandate of the group is to monitor the developments in the digitalization work; consider any feedback received from the capacity development work; and determine the necessary action. The small group is to report back to the Committee during the Twenty-fourth Session on its findings and recommendations, including a proposed plan of work.

First Meeting of the Subcommittee

3. Nine Members of the UN Tax Committee are participating in the small group, and a meeting of the small group was conducted virtually on 14 February 2022 to discuss any developments undertaken in other fora in relation to what is often referred to as “tax certainty” and any feedback from the Capacity Development work. The meeting also had on its agenda the composition of the small group. This report reflects the outcome of those discussions.

Issues

4. The members of the small group observed that the dispute avoidance and resolution elements included in the work on digitalization undertaken in other fora were still ongoing and so far, there were no significant developments that called for new guidance or input from the Committee. The capacity development work had also not yielded feedback that warranted the update of the Manual on Dispute Avoidance and Resolution at this stage.

Composition of the Subcommittee

5. It was observed that the current composition of the small group was appropriate as there was no significant work for the group yet. Members agreed to reach out to members of the previous subcommittee and inform them of the current status of the work on dispute avoidance and resolution.

6. Members agreed that this issue of group composition would be revisited in the future if need be.

Matters for Decision and Next Steps.

7. The small group proposes, subject to Committee views, to continue monitoring the relevant work undertaken in other fora as well as the feedback from any capacity development activities and events, to determine its work plan.

8. As part of its monitoring, the group may consult with the Subcommittee on Transfer Pricing on relevant developments in that area such as the current work in other fora.

9. The Subcommittee seeks *the Committee’s views on the issues raised in this note in paragraph 4 and its approval* of the proposed course of action.

