



United Nations

Committee of Experts on International Cooperation in Tax Matters

**Report on the twenty-fifth session
(Geneva, 18–21 October 2022)**

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Note

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Chapter I

Matters calling for action by the Economic and Social Council

Draft decision for adoption by the Council

1. The Committee of Experts on International Cooperation in Tax Matters recommends that the Economic and Social Council review and adopt the following draft decision:

Venue, dates and provisional agenda of the twenty-sixth session of the Committee of Experts on International Cooperation in Tax Matters

The Economic and Social Council:

(a) Decides that the twenty-sixth session of the Committee of Experts on International Cooperation in Tax Matters will be held in New York from 27 to 30 March 2023;

(b) Approves the provisional agenda for the twenty-sixth session of the Committee, as set out below:

Provisional agenda of the twenty-sixth session of the Committee of Experts on International Cooperation in Tax Matters

1. Opening of the session by the Co-Chairs.
2. Adoption of the agenda and organization of work.
3. Discussion of issues related to international cooperation in tax matters:
 - (a) Procedural issues for the Committee;
 - (b) Taxation and the Sustainable Development Goals;
 - (c) Issues related to the United Nations Model Double Taxation Convention between Developed and Developing Countries;
 - (d) Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries;
 - (e) Transfer pricing;
 - (f) Taxation of the extractive industries;
 - (g) Environmental taxation;
 - (h) Dispute avoidance and resolution;
 - (i) Taxation issues related to the digitalized and globalized economy;
 - (j) Taxation of cryptoassets;
 - (k) Digitalization and other opportunities to improve tax administration;

- (l) Increasing tax transparency;
 - (m) Wealth and solidarity taxes;
 - (n) Indirect taxes;
 - (o) Health taxes;
 - (p) Relationship of tax, trade and investment agreements;
 - (q) Capacity-building;
 - (r) Other matters for consideration (including taxation and foreign exchange).
4. Provisional agenda of the twenty-seventh session of the Committee.
 5. Arrangements for adopting the report of the Committee on its twenty-sixth session.

Chapter II

Introduction

2. Pursuant to Economic and Social Council resolutions [2004/69](#) and [2017/2](#) and decision 2022/342, the twenty-fifth session of the Committee of Experts on International Cooperation in Tax Matters was held in hybrid form – in person but with provision for virtual participation – from 18 to 21 October 2022. The in-person meetings were attended by 21 members of the Committee and 136 registered observers. Four members of the Committee and 280 registered observers participated virtually.

3. The present report serves to summarize Committee discussions and decisions taken on the items set out in the provisional agenda of the Committee at its twenty-fifth session, as adopted by the Committee ([E/C.18/2022/3](#)), as follows:

Provisional agenda

1. Opening of the session by the Co-Chairs.
2. Adoption of the agenda and organization of work.
3. Discussion of issues related to international cooperation in tax matters:
 - (a) Procedural issues for the Committee;
 - (b) Taxation and the Sustainable Development Goals;
 - (c) Issues related to the United Nations Model Double Taxation Convention between Developed and Developing Countries;
 - (d) Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries;
 - (e) Transfer pricing;
 - (f) Taxation of the extractive industries;
 - (g) Environmental taxation;
 - (h) Dispute avoidance and resolution;
 - (i) Taxation issues related to the digitalized and globalized economy;
 - (j) Taxation of cryptoassets;
 - (k) Digitalization and other opportunities to improve tax administration;
 - (l) Increasing tax transparency;
 - (m) Wealth and solidarity taxes;
 - (n) Indirect taxes;
 - (o) Health taxes;
 - (p) Relationship of tax, trade and investment agreements;
 - (q) Capacity-building;
 - (r) Other matters for consideration.
4. Provisional agenda of the twenty-sixth session of the Committee.
5. Arrangements for adopting the report of the Committee on its twenty-fifth session.

Chapter III

Organization of the session

Opening of the twenty-fifth session and adoption of the agenda

4. The Co-Chair, Mathew Gbonjubola, welcomed all Committee of Experts on International Cooperation in Tax Matters members to the first in-person session of the membership, as well as the first since October 2019, during an initial closed meeting to discuss the conduct of proceedings during the session.

5. At the ensuing open meeting, the Co-Chair, Liselott Kana, welcomed observers to the session, whether participating in person or virtually. She looked forward to the valuable input from and engagement with all participants in the Committee's work.

6. The Assistant Secretary-General for Economic Development, Navid Hanif, delivered a welcoming address as a representative of the Secretary-General. He noted that, while this was a happy in-person and hybrid gathering, it was against a backdrop of intensely difficult times.

7. He highlighted the key task that the Committee had in delivering its important mandate to ensure that countries, especially developing countries, were supported in meeting their needs and addressing the great challenges that they faced in the current context. He pointed out that taking up issues such as taxing windfall profits, as called for by the Secretary-General, was an additional way of helping to mitigate the challenges faced by countries.

8. Mr. Hanif noted that there was a greater inclination towards multilateralism in dealing with tax matters and illicit financial flows and that an inclusive and sustainable development-guided approach was the best hope for success. He observed that the inclination towards multilateralism was reflected in the Committee's work, as illustrated by the work to develop a possible fast-track mechanism for speedier adoption of key United Nations Model Double Tax Convention between Developed and Developing Countries provisions, especially those relating to taxation of the increasingly digitalized and globalized economy.

9. He recognized the Committee's diverse workstreams, lauding the ongoing work and the members' dedication, as well as the significant contributions made by subcommittee participants and other contributors to United Nations tax work.

10. Ms. Kana thanked Mr. Hanif for his remarks and support, including in his new role. She then presided over the adoption of the agenda, which was adopted without amendment.

Chapter IV

Discussion and conclusions on substantive issues related to international cooperation in tax matters

A. Procedural issues for the Committee, including options for Committee consultations

11. In a closed meeting of the Committee of Experts on International Cooperation in Tax Matters, the Co-Coordinator of the Working Group on Procedural Issues, Liselott Kana and Carlos Protto, presented for consideration by the Committee some proposals for amending the existing document entitled “Practices and working methods for the Committee of Experts on International Cooperation in Tax Matters” to ensure that Committee business was conducted as effectively as possible.

12. The Committee members provided their input on the alternatives presented, and it was agreed that the text of the proposed amendments would be subject to second reading for final approval at the twenty-sixth session.

B. Taxation and the Sustainable Development Goals

13. The Assistant Secretary-General for Economic Development, Navid Hanif, delivered remarks on taxation and the Sustainable Development Goals, focusing especially on the 2022 Economic and Social Council special meeting on international cooperation in tax matters, held on 8 April 2022.

14. Mr. Hanif highlighted three of the special meeting’s key messages of particular relevance to the Committee’s work. First, international discussions should consider how economies in various stages of development were affected by tax reforms. Solutions and easy-to-implement-and-administer rules should be devised to respond to that reality. Second, reducing illicit financial flows, which depended on having access to information held in other countries, was crucial for developing countries. However, some of them still struggled with meeting the technical requirements to join international efforts on tax transparency and they needed assistance. Third, an integrated approach to addressing illicit financial flows entailed assisting tax administrations in improving implementation, notably through capacity-building and human resources strategies. A whole-of-government approach was necessary to address tax-related illicit financial flows (e.g., tax evasion, aggressive tax avoidance, abusive transfer pricing practices and trade mispricing). Mr. Hanif raised the question of how to internalize those points in the work of the Committee.

15. Mr. Hanif also stressed the need to address those and other challenges to achieving the Sustainable Development Goals practically, frame the responses to them and concentrate on areas where the most relevant and effective work could be achieved. He invited the Committee to consider such an approach in its workstreams, including the newer areas of Committee consideration, such as environmental taxation, health taxes and wealth and solidarity taxes. It was important to be ahead of the curve and to address risks that had not yet materialized in full, he noted.

16. Following Mr. Hanif’s presentation, Committee members mentioned that: (a) the link between taxation and the Sustainable Development Goals was not always intuitive, but that the Committee had tried to identify areas to cover and prioritize, such as health taxes, environmental taxation and wealth and solidarity taxes; (b) more financial support was required to achieve the Goals; (c) preserving taxing rights of developing countries supported domestic resource mobilization and therefore the achievement of the Goals; and (d) tax collection, in general, not only that related to

health and environment, was essential to mobilizing resources, reducing inequality and achieving the Goals.

17. Observers noted that: (a) it was essential to addressing illicit financial flows, given the billions of dollars lost by both developing and developed countries as a result of them; (b) it was important to evaluate the ways in which technology could help to raise revenues and what would be the role of the tax administrations, central banks, ministries of finance and ministries of justice in working together to address illicit financial flows; (c) the work of the United Nations and others was vital to assisting developing countries in achieving the Sustainable Development Goals; and (d) generating revenue was essential to achieving the Goals, but existing rules and measures tended to overly limit the exertion of taxing rights, while many changes under international discussion did not appear to give confidence to developing countries that the limitations would be overcome.

C. Issues related to the United Nations Model Double Taxation Convention between Developed and Developing Countries

18. One of the three Co-Coordiators of the Subcommittee on Updating the United Nations Model Double Taxation Convention between Developed and Developing Countries, Rasmi Das (along with Mr. Protto and Stephanie Smith), provided an overview of the Subcommittee's activities since the twenty-fourth session of the Committee, as described in the Co-Coordiators' report (E/C.18/2022/CRP.22). At its June meeting, the Subcommittee considered notes on four issues. The first was a proposed subject-to-tax test to be included in the Convention. The second was a note intended to clarify when particular provisions of the Convention would apply to various payments for services. The third was a note on the inclusion of payments for computer software in the definition of royalties. The fourth was a note on technical and substantive issues arising under article 6, on immovable property. At its September meeting, the Subcommittee focused on finalizing the two notes (the first and third notes) that were ready to be presented to the Committee for discussion at its twenty-fifth session.

19. Mr. Das presented the note on the proposed subject-to-tax rule (E/C.18/2022/CRP.23). He explained that the Subcommittee had proposed a broad rule that was not limited to the base erosion and profit shifting concerns relating to transactions between related parties. In addition, it was important for developing countries that the provision be self-executing and not limited to regimes that were adopted after a treaty had entered into force. However, the Subcommittee had recognized that there would be situations in bilateral negotiations in which exceptions would be appropriate, such as for collective investment vehicles or pension funds, or in the case of a participation exemption. Accordingly, the proposed provision included a placeholder for the inclusion of such exceptions. It was anticipated that the commentary would include proposed drafting for the most common exceptions.

20. In general, members and observers supported the drafting approach, while some made drafting suggestions. A member expressed concern that the proposed rule was broader than necessary to address the base erosion and profit shifting concerns that had prompted it and stated that, if the Committee decided to go beyond addressing base erosion and profit shifting concerns and try to achieve a minimum level of taxation, a cap on the level of taxation should be applied by the source State. That position did not receive general support from the Committee. Several members suggested that the provision should not be applied at the time that a payment was made, but only afterwards, on the basis of the way in which the payment was taxed over a taxable period. It was recognized that the application of withholding

requirements was, of course, not set out in the United Nations Model Double Taxation Convention between Developed and Developing Countries or its commentaries; rather, it was specifically left to domestic law. Ashfaq Ahmed, noted that attention would have to be paid to the issue of operationalization of the subject-to-tax rule when incorporated and rolled out. Others also supported the need to encourage speedy implementation of any Convention subject-to-tax rule.

21. An observer expressed the view that the Committee should wait for the results of the work of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework on Base Erosion and Profit Shifting before proceeding with the adoption of a subject-to-tax rule. Mr. Gbonjubola reminded the Committee that it had its own mandate and worked independently. Marlene Nembhard-Parker commented that even those countries that adopted the proposals of the Inclusive Framework were free to adopt better solutions.

22. Mr. Das thanked the members and the observers for the valuable comments, which would be taken into account in the next draft of the proposed provision. He also noted that the immediate focus was on drafting the provision; a discussion on implementation was best left to the future.

23. Mr. Protto presented a note (E/C.18/2022/CRP.24) on the inclusion of payments for computer software in the definition of royalties under article 12 of the United Nations Model Double Taxation Convention between Developed and Developing Countries. He reminded the Committee of the situation at the end of the last Committee membership's term, in June 2021. That is, the commentary on article 12 of the United Nations Model Double Taxation Convention had included, since 2001, extensive quotations from the relevant commentary on article 12 of the OECD Model Tax Convention dealing with the issue. In 2021, the Committee adopted an expanded explanation in paragraph 15 of the commentary on article 12 of the United Nations Model Double Taxation Convention of objections that some members had to the existing commentary. It also added an alternative view in paragraph 16 of the commentary on the United Nations Model Double Taxation Convention supporting an expansion of the definition of royalties to cover payments for the use of computer software in cases not contemplated pursuant to the current commentary.

24. Mr. Protto urged the Committee to focus on ensuring that the treatment of payments for computer software would be clarified in the future, given that it was impossible to do anything at the moment that would resolve issues arising with respect to payments made under prior agreements. In his view, providing clarity for the future would mean changing the United Nations Model Double Taxation Convention between Developed and Developing Countries either to specifically include payments for computer software within the definition of royalties or to specifically exclude such payments.

25. There was general support for Mr. Protto's suggestion that the focus should be on the future and on continued work on the possible drafting of an expanded version of the definition of royalties to cover payments for computer software. The issue of whether to agree that such an expanded provision should be included in the United Nations Model Double Taxation Convention between Developed and Developing Countries was raised, but a decision on the matter was deferred, pending further work. Accordingly, the Subcommittee would continue its work on developing an expanded definition of royalties that referred to computer software, including the relevant commentary to support the new definition, and would submit it to the Committee in 2023 with a view to reaching a final decision on whether to incorporate the expanded definition in the text of the Convention.

D. Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries

26. One of the two Co-Coordiators of the Subcommittee on the Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries, Aart Roelofsen (along with Mr. Protto), introduced the topic. The Co-Coordiators' report (E/C.18/2022/CRP.25) outlined the Subcommittee's activities since the twenty-fourth session of the Committee. The Subcommittee met twice, in June and in August, to prepare two substantive notes for the Committee's consideration.

27. Mr. Roelofsen explained that the first substantive note (E/C.18/2022/CRP.26) included the Subcommittee's proposed changes to the Manual to reflect the changes made in the 2021 update of the United Nations Model Double Taxation Convention between Developed and Developing Countries. In the course of drafting those changes, the Subcommittee decided to propose some improvements (unrelated to the 2021 changes to the Convention) to the drafting of surrounding paragraphs. He requested any general comments on the note and suggested that Committee members could provide written comments by 30 November 2022, so that those comments could be taken into account in the full draft of the Manual that the Subcommittee expected to present to the Committee for approval at the twenty-sixth session. Given that no one objected to the proposal, it was adopted.

28. The Committee discussed E/C.18/2022/CRP.27, on proposed guidance regarding the conduct of tax treaty negotiations by videoconference. The Subcommittee recommended that the note be issued as stand-alone guidance, rather than waiting until the next update of the section of the Manual addressing logistical issues, which would take place sometime after 2023.

29. The Committee supported the continued development of the guidance as a stand-alone report. Although there was support for the conclusion that in-person meetings were, in many cases, preferable to conducting negotiations through videoconference, several members asked that the report also note that conducting negotiations through videoconferences could, in some cases, result in concluding a treaty more quickly and that negotiations through videoconference could aid in training the next generation of negotiators. Those comments would be reflected in the next version of the guidance, which would be presented to the Committee for approval at its twenty-sixth session. An observer's request for similar guidance on conducting mutual agreement discussions by videoconference would be referred to the appropriate subcommittee for consideration.

E. Transfer pricing

30. The Co-Coordiators of the Subcommittee on Transfer Pricing, Ingela Willfors and Mathew Gbonjubola, introduced a Co-Coordiators' report on transfer pricing (E/C.18/2022/CRP.16) and sought comments and guidance from the Committee on the work undertaken by the Subcommittee since the twenty-fourth session.

31. Ms. Willfors presented the progress of the two workstreams on sector and industry guidance. With regard to primary products, she mentioned that the guidance would be using case studies from the soybean and coffee sectors and would cover transfer pricing aspects of the use of intangibles for research and development in seeds and pesticides. With respect to the pharmaceutical industry, she noted that the guidance would cover the value chain of the sector and governmental regulations. She added that the delineation of transactions, benchmarking and good practices in auditing would also be covered.

32. Mr. Gbonjubola presented the ongoing work on the toolkit on risk assessment and audits and noted that the work would take the form of an audit road map that would entail effective risk assessment, case selection and the conduct of a transfer pricing audit. With regard to national anti-abuse rules for transfer pricing, he reported that the decision had been taken to prioritize other workstreams.

33. A Subcommittee participant, Monique van Herksen, reported on the work undertaken in the workstream on carbon dioxide certificates. She explained that the workstream was looking at the supply chain that was required to generate carbon credits. The guidance produced would entail a description of the regulatory framework and supply chain required to generate certified emission reductions and emission reduction units using project examples in the area of reforestation, extractive industries and cookstoves.

34. Another Subcommittee participant, Raffaele Petruzzi, presented the workstream on coronavirus disease (COVID-19)-related/economic downturns. He noted that the guidance would focus on the impact of the COVID-19 pandemic on transfer pricing and would include some general lessons for economic downturns. The guidance would include the impact of COVID-19 along the value chain and changes to such value chains, both temporary and permanent. Additional topics covered were the strengths and weaknesses of various transfer pricing methods, benchmarking and documentation issues.

35. Ms. Willfors presented the workstream on dispute avoidance and resolution. She noted that the work would focus on advance pricing agreements, joint audits and the International Compliance Assurance Programme and address the issue of trust between competent authorities, as well as between taxpayers and tax authorities.

36. Ms. Willfors noted the importance of collaboration with other subcommittees and working groups of the Committee to avoid duplication and ensure alignment of guidance from the Committee. She recalled liaising with the Subcommittees on the United Nations Model Double Taxation Convention between Developed and Developing Countries and on Environmental Taxation Issues, as well as the Working Group on Dispute Avoidance and Resolution, and reiterated the commitment of the Subcommittee on Transfer Pricing to continuing to consult and collaborate widely.

37. All presenters mentioned that drafting groups had received valuable feedback during the last Subcommittee meeting, held from 6 to 8 September 2022, and in comments received from the public after the twenty-fourth session. It was planned that drafts for the workstreams on COVID-19-related/economic downturns, on the toolkit on transfer pricing risk assessment and audits, and on carbon dioxide certificates would be presented to the Committee during its twenty-sixth session for initial discussion.

38. The Committee welcomed the progress made by the Subcommittee and stressed in particular that it appreciated the work undertaken on the issue of trust-building measures under the workstream on dispute avoidance and resolution. In relation to the work undertaken on COVID-19, members of the Committee encouraged the Subcommittee to include the influence of the pandemic on dispute avoidance and resolution, as well as on advance pricing agreements, as well as loss-bearing by routine entities. The Co-Coordinator welcomed the additional input provided and noted that the Subcommittee would consider them going forward.

F. Taxation of the extractive industries

39. The Co-Coordinator of the Subcommittee on Extractive Industries Taxation, Ignatius Mvula, presented the Co-Coordinator's report (E/C.18/2022/CRP.35), highlighting the outcomes of two Subcommittee meetings, held in June and

September. He invited team leaders for each workstream to provide further details. Alexandra Readhead spoke on permanent establishment issues, Chris Sanger spoke on tax incentives, Stig Sollund discussed trade mispricing and valuation of natural resources and Hafiz Chaudhury presented on energy transition. Ms. Readhead and Mr. Chaudhury made their presentations remotely.

40. With regard to the energy transition workstream, Mr. Mvula mentioned the meeting with Subcommittee on Environmental Taxation Issues counterparts in which they discussed the delineation of work for each group so as to complement one other while avoiding duplication. The Subcommittee on Extractive Industries Taxation would work on energy transition from the point of view of the production or supply side, while the Subcommittee on Environmental Taxation Issues would focus on the energy consumption or demand side. The two groups would meet regularly to discuss areas that might be worked on by either Subcommittee.

41. The Subcommittee planned to launch a survey to collect relevant data and make an inventory of various county situations and measures related to energy transition. The Subcommittee presented a possible table of contents for guidance on energy transition (*ibid.*, annex A), with an emphasis on key aspects of energy transition and attention given to the critical issue of energy access for developing countries in the quest for sustainable development. Some of the key issues identified in the Subcommittee discussion included, but were not limited to, the following:

- (a) Mandate of the Subcommittee in relation to energy generation;
- (b) Focus on tax measures to drive energy transition;
- (c) Demands for critical minerals – lithium, cobalt and rare earths – for energy transition and development needs in local communities;
- (d) Potential revenue losses in developing countries that produce fossil fuels;
- (e) Natural resource endowments – hydro and solar – as well as hydrocarbons and coal;
- (f) Electricity generation;
- (g) Cooking fuels and liquid fuels (biogas and hydrogen);
- (h) Pros and cons of different fiscal instruments;
- (i) Alternatives between slow (e.g., making the transition from coal to gas to renewables) or fast (renewables only).

42. With regard to the permanent establishment workstream, the Committee heard the approach that the Subcommittee intended to follow to raise key extractive industry issues and how they were currently addressed in the United Nations Model Double Taxation Convention between Developed and Developing Countries, while pointing out areas of concern that might need to be resolved in an update to the Convention. The areas listed included taxation of subcontractors, delineation of activities, taxation of extractive industry personnel and service providers, taxation of management and technical services income, remote operations, shipping and air transport, and marketing activities.

43. The Subcommittee would review how those issues were addressed in the United Nations Model Double Taxation Convention between Developed and Developing Countries and provide possible redress where shortcomings were expected to arise. Some of the articles and commentaries addressing the issues in the current Convention included article 5 (on permanent establishment), article 8 (on shipping, inland waterways transport and air transport), article 12 (a) (on fees for technical services), article 12 (b) (on automated digital services), article 13 (on capital gain

taxes), article 14 (on independent personal services) and article 15 (on dependent personal services).

44. The Subcommittee intended to propose some options on how to address permanent establishment issues in the extractive industries, including possible drafts of parts of articles and commentaries that would be shared with the Subcommittee on the update to the United Nations Model Double Taxation Convention between Developed and Developing Countries for its consideration. Meetings between the two Subcommittees/relevant subgroups would be conducted regularly in the near future for discussion on approaches and options.

45. With regard to the trade mispricing and valuation of natural resources workstream, the Subcommittee proposed that new title to avoid the word “undervaluation” so as to maintain a neutral tone. The outline and workplan presented included several key issues including, but not limited to, protection of revenue in resource-rich countries, the importance of product valuation in tax administration, difficulties in the determination of fair market value, reference pricing, administrative pricing, and advance pricing agreements. The issues would be considered and the Subcommittee would seek to include country examples and key lessons from those examples. In that respect, the Subcommittee planned to conduct a survey on methodologies used by country tax administrations and problems faced in the valuation of products.

46. Committee members and observers who took the floor expressed satisfaction with how the work was going and on the broad range of issues raised within each workstream, and they congratulated the Subcommittee for its ambitious workplan. Some Committee members had reservations with regard to the permanent establishment workstream proposing drafts of texts to include in the update to the United Nations Model Double Taxation Convention between Developed and Developing Countries and encouraged coordination with the Subcommittee on Updating the United Nations Model Double Taxation Convention between Developed and Developing Countries, to avoid duplication. It was further noted that the Subcommittee on Updating the United Nations Model Double Taxation Convention between Developed and Developing Countries would likely consider a provision that went beyond extractives and beyond only the permanent establishment issue. Others, however, proposed benefiting from the expertise of Subcommittee on Extractive Industries Taxation participants and welcomed drafts that the Subcommittee on Updating the United Nations Model Double Taxation Convention between Developed and Developing Countries would consider. An observer remarked on the importance of guidance on permanent establishment in the extractive industries, given that that issue was frequently raised during treaty negotiations.

47. All agreed on the need for close collaboration between the two Subcommittees to avoid duplication, including in dealing with permanent establishment in the extractive industries, exploration activities, attribution of profit to permanent establishments, force of attraction, capital gains taxation and article 14.

48. It was also suggested that there be the same type of collaboration between the Subcommittees on Extractive Industries and on Transfer Pricing on issues related to transfer pricing and product valuation in the extractive industries.

G. Environmental taxation

49. The Co-Coordinator of the Subcommittee on Environmental Taxation Issues, Mr. Ahmed and Susanne Åkerfeldt, presented the progress on work and the proposed next steps, as discussed below. The presentation was based on the Co-Coordinator's report (E/C.18/2022/CRP.20).

50. Workstream 1 (the interaction of carbon taxation with other national measures) advances work under three broad parts: how to assess and correct the interaction between carbon taxes and other taxes; interaction between carbon taxes and other environmental measures (emissions trading and climate policy); and phasing out fossil fuel subsidies.

51. Workstream 2 (the role of carbon taxes and other measures in supporting energy transition) focuses on broader perspectives of energy transition and not merely carbon reductions. Key considerations entail using archetypes in which the relevant aspects of energy transition would materialize differently, taking into account examples of options for environmental taxation for such archetypes. Archetypes would be considered depending on, for example, the availability of natural resources and markets for selected countries.

52. Workstream 3 (the interaction between carbon taxes and carbon offsetting programmes) is intended to provide an overview of what is happening currently and how it justifies action by tax authorities, raise awareness and understanding of the framework provided by article 6 of the Paris Agreement, capture current problems in taxation and point out core issues to address, and ensure a coherent approach in qualification and valuation.

53. Workstream 4 (carbon border adjustment mechanisms and how developing countries can avoid undesired spillover effects from the implementation of such measures by other jurisdictions) is divided into three broad parts: carbon leakage and how to address it; carbon border adjustment measures and proposals; and potential responses to carbon border adjustments.

54. The Co-Coordination noted the close coordination with the Subcommittee on Extractive Industries Taxation (workstreams 1 and 2) and the Subcommittee on Transfer Pricing (workstream 3).

55. The Co-Coordination sought specific guidance on workstreams 2 and 4 (E/C.18/2022/CRP.20, paras. 13 and 23).

56. With regard to workstream 5 (other environmental measures other than carbon taxes), the Co-Coordination indicated that, on the basis of preliminary feedback received from a workshop organized by the Secretariat, the Subcommittee planned to commence work on and would provide suggestions for the specific scope of the workstream for the Committee's consideration at its twenty-sixth session.

57. Committee members commented on the presentation and thanked the Subcommittee for liaising with other subcommittees, noting the importance of such coordination to advance its work.

58. Committee members and observers highlighted some areas for the Subcommittee's attention, as follows:

(a) Workstream 1: to include interaction between carbon taxes and other excise taxes on fuels and vehicles to address possible double taxation;

(b) Workstream 2: to consider other potential candidates for the archetype selection (e.g., Bolivia (Plurinational State of) and Ghana), and further explain the use, selection and criteria of archetypes, as well as how policymakers and taxpayers could use that analysis;

(c) Workstream 4: to undertake an objective description of carbon border adjustments, including on their World Trade Organization compliance status. Importantly, as was already cautioned at the twenty-fourth session ([E/2022/45/Add.1-E/C.18/2022/2](#), para. 50), it was reemphasized that the analysis under that workstream should be objective and not be deemed as an implied endorsement or rejection by the

Committee of measures developed by any organizations, or implied support of carbon border adjustments.

H. Dispute avoidance and resolution

59. The Co-Coordinator of the Working Group on Dispute Avoidance and Resolution, Mr. Protto and Mr. Roelofsen, informed the Committee that no substantive work had been produced to date by the Working Group because members were still observing the ongoing work in digitalization and globalization of the economy. However, the Working Group was collaborating with the Subcommittee on Transfer Pricing, which had an ongoing workstream on dispute avoidance and resolution.

60. It was noted that there were various capacity development events arranged by the Secretariat addressing aspects of dispute avoidance and resolution and that any feedback from those events would be reviewed for possible action.

61. A member requested the Committee to address matters of arbitration of disputes, especially in relation to investment agreements, and to consider having a database of decisions from international arbitration cases and addressing disputes in the extractives industry. The Co-Coordinator noted that issues of arbitration were addressed in the handbook, but this could be a matter to consider in the future. Members agreed that the Working Group could continue to observe the outcome of the ongoing work on taxation of digitalized and globalized economy and liaise with the Subcommittee on Transfer Pricing and the Secretariat regarding feedback from capacity development events for possible action and consideration.

I. Taxation issues related to the digitalized and globalized economy

62. The Co-Coordinator of the Subcommittee on Taxation Issues related to the Digitalized and Globalized Economy, Mr. Gbonjubola, presented the Co-Coordinator's report (E/C.18/2022/CRP.19) that outlined the history and status of the work. He highlighted the workstreams that the Subcommittee was considering.

(a) Workstream A, which was to facilitate the implementation in bilateral treaties of provisions introduced in the United Nations Model Double Taxation Convention between Developed and Developing Countries through the work of the Committee, such as article 12 (a) and 12 (b), subject-to-tax rules, capital gains (art. 13 (6) and (7)), permanent establishment and arbitration;

(b) Workstream B: a paper that addressed the function and relevance of physical presence tests;

(c) Potential workstream C, which might deal with cross-border taxation issues involving remote workers.

63. He noted that E/C.18/2022/CRP.19 included three annexes: annex A, prepared in support of workstream A on a possible fast-track instrument; annex B, on the functional relevance of physical presence tests (workstream B); and annex C, which touched on issues of taxation of corporate income involving digital goods and services (also workstream B). The annexes were included as a basis for discussion and should not be taken as representing concluded Subcommittee views.

64. Philip Baker presented the note regarding annex A of the paper. The note presented ideas on how a fast-track instrument as contemplated pursuant to workstream A could be achieved. He noted the need to have a streamlined process by which participants could update treaties to take account of new provisions as they were developed over time. Among the issues to consider in developing that instrument were

what type of instrument was most appropriate, what should be the flexibility to bring in other provisions as they became part of the United Nations Model Double Taxation Convention between Developed and Developing Countries, how to best achieve a level of optionality that encouraged participation and practical implementation, and what provisions should be developed to address compatibility and the need to limit complexity, such that there would be less need for bilateral discussions.

65. The Subcommittee, in its paper, had proposed prioritizing workstream A over workstream B. However, some members were of the view that the Committee should focus on workstream B, given the challenges in successfully initiating and completing workstream A, while workstream B could be considered a “low hanging fruit”, especially relevant for harvest in the current landscape of the increasingly digitalized and globalized economy. Others saw workstream B as unlikely to add value to existing academic work and to be of less practical value for developing countries than work on a fast-track instrument, including in addressing taxation of the increasingly digitalized and globalized economy.

66. With regard to workstream A, some members observed that the work would face significant challenges in achieving wide acceptance, especially in view of the need for a balanced outcome. It was opined that it might be important to determine the political support that the outcome of the work would have. The fast-track instrument that would emanate from the workstream appeared to be complex and the process to full adoption and implementation would face substantial hurdles. Some of this included compatibility issues, development and approval of three separate agreements (instrument, protocols and bilateral agreements for each tax treaty), the need for bilateral negotiations, parliamentary approval and divergent law-making processes among the different jurisdictions. Some of those members questioned whether the instrument would speed up adoption, especially in view of the need to bilaterally negotiate some aspects of each provision for covered tax treaties, compatibility issues and variant wording among treaties.

67. Other members fully supported workstream A, noting the great significance that it held for developing countries that wanted to incorporate the changes introduced in the United Nations Model Double Taxation Convention between Developed and Developing Countries into their treaties by a quick and effective process. Members observed that political support or acceptance was not considered before embarking on other Committee workstreams and hence should not be a consideration for this one. The substantive provisions, rather than the general fast-track instrument architecture, would be the areas in which views would be expected to differ most, and this would involve provisions already in the Convention and therefore already signalled as suitable for negotiation. It was pointed out that the best approach would be to develop a document first, then address issues of political acceptance and other challenges such as compatibility when there was a draft to consider. One member noted that updated article 8 provisions could be another candidate for inclusion in fast-track instrument options.

68. Observers from countries and some international organizations also expressed their support for workstream A, noting that it was of great significance to countries and offered a solution that was efficient and effective, while some other country observers intervening did not hold that view.

69. Taking into account the views presented, the Committee decided that both workstreams A and B should be treated as priorities. The initial work might be undertaken by various groups within the Subcommittee to help to advance the work in that manner.

70. A new proposal to provide guidance for developing countries on remote worker/nomad issues was proposed, in view of changing work patterns. It was agreed

that a paper would be developed by the Subcommittee and presented at the twenty-sixth session for consideration by the Committee. This could become workstream C, if approved.

J. Taxation of cryptoassets

71. The Secretariat presented a progress report on the agenda item on taxation of cryptoassets. Work on a paper that would provide an overview of taxation issues, with a particular focus on developing countries, had started. It was proposed that a paper that took into account recent changes in the crypto landscape would be presented at the twenty-sixth session, and this was supported by the Committee. The Secretariat confirmed that there were no expectations for the Committee to take up work on the issue at present and that the paper for the next session would assist the Committee in deciding on the next steps, if any, that it might wish to take.

K. Digitalization and other opportunities to improve tax administration

72. The Co-Coordinator of the Working Group on Digitalization and Other Opportunities to Improve Tax Administration, Wazona Ligomeka, introduced for discussion the Co-Coordination's report (E/C.18/2022/CRP.33). He provided an update on the work of the Working Group since the twenty-fourth session.

73. Mr. Ligomeka informed members that the Working Group had agreed on a workplan that included:

- (a) Developing a road map for the digitalization of revenue authorities;
- (b) Providing guidance on the development of a data governance framework that considered the best use of available data and identified gaps in the availability of quality data;
- (c) Proposing means of monitoring technological developments to identify relevant enhancements to the tax system.

74. To deliver the workplan agreed upon, the Working Group agreed to develop a guide to assist countries in digitalizing their revenue administration. The guide would address issues such as digital tax administration road maps, data governance frameworks, legal frameworks, innovative technologies and case studies. Mr. Ligomeka noted that the paper prepared for the session (E/C.18/2022/CRP.33) included preambular text for parts one and two of the proposed guide.

75. Members expressed their support for that work, noting that the workstream was of great significance to developing countries. It was suggested that, for effective revenue mobilization, revenue authorities needed to modernize, including through the digitalization of their operations. Some of the processes highlighted included exchange of information, which was vital for revenue authorities.

76. The outline of the proposed guide prepared by the Working Group was considered by members to be relevant and to adequately address the issues that would be of most importance to countries. A member noted that country experiences were vital for the guide, especially where they highlighted the challenges that countries faced in their quest to digitalize revenue administration. Another member pointed out that the issue of cybersecurity needed to be addressed, given that it played a vital role in ensuring that data received from taxpayers were protected and kept confidential. In addition, some members observed that it was imperative to examine the relationship between tax laws and data protection laws to ensure that they were in harmony.

77. A query was raised regarding the issue of model legislation, and a member sought to know the objective of the proposed chapter 9 in the guide on model legislation. Mr. Ligomeka informed the meeting that the chapters dealing with a model digital framework and model legislation would be incorporated into the sections on the digital tax administration road map and the legal framework, respectively, and would provide elements that would be considered when developing the framework and the necessary laws.

78. A member observed that a lot of work was being done in that area in other forums and that it would be important to constructively engage with the bodies that were carrying out such work. By doing so, the Working Group would be in a position to draw upon all the work that had been done on the issue and ensure that it delivered added value.

L. Increasing tax transparency

79. The Co-Coordinator of the Subcommittee on Increasing Tax Transparency, José Troya, introduced for discussion the Co-Coordinator's report (E/C.18/2022/CRP.32). He provided an update on the work of the Subcommittee since the twenty-fourth session.

80. Mr. Troya stated that, as reported during the twenty-fourth session, the Subcommittee had developed and disseminated a questionnaire aimed at identifying challenges faced by developing countries in the exchange of tax information and any gaps in existing guidance and standards. The Subcommittee had also identified challenges that could be addressed and that these, together with the challenges and gaps identified in the responses to the questionnaire, would form the basis for the Subcommittee's next steps in meeting its mandate.

81. Members noted that the exercise to identify challenges that countries were facing with regard to the implementation of standards was vital. Members supported extending the response period and the anonymization of the questionnaire shared with jurisdictions in order to allow them the opportunity to freely express their challenges in increasing tax transparency and in identifying gaps in existing standards and guidance.

82. It was pointed out that jurisdictions would need to adapt to changing times and improved business practices brought on by digitalized operations, by embracing digitalization of their own revenue authorities and keeping up to date with relevant technology to enhance their capacity to improve tax transparency.

83. Members noted that it would be useful for developing countries if the Subcommittee could develop simpler processes that would allow every country to have easier and more effective access to the exchange of information. Guidance on the use of data received from the exchange of information was also highlighted as a key issue that needed to be addressed. It was noted that this contributed to assessing the impact of the investment required by countries in order to comply with the standards, with higher domestic revenue obtained from the increase in tax transparency being the ultimate goal. Furthermore, members noted that timing issues needed to be addressed to ensure that information requested by jurisdictions was received on time.

84. In addition to the issues already flagged in the questionnaire, observers highlighted the following issues that the Subcommittee could consider addressing:

- (a) Security and data safeguards;
- (b) Development of information technology infrastructure;
- (c) Development of legal infrastructure;

(d) Information for non-tax purposes (e.g., implementing automatic consent/confidentiality compliance by other agencies);

(e) The meaning of the concept of “foreseeably relevant” information for tax administrations or enforcements, under existing standards. A member suggested this should not be prioritized because it had already been taken on board by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes.

85. It was also observed that there existed scope for collaboration with other bodies, most notably the Global Forum, to ensure that there was no duplication of work and to enhance support for developing countries. It was concluded that there was a need for prioritization by the Subcommittee for effective and efficient handling of the mandate, given the numerous challenges identified.

M. Wealth and solidarity taxes

86. The Coordinator of the Subcommittee on Wealth and Solidarity Taxes, Mr. Troya, introduced the Coordinator’s report (E/C.18/2022/CRP.17) and sought comments and guidance from the Committee on the work undertaken by the Subcommittee since the twenty-fourth session.

87. Mr. Troya presented the progress on the work of the Subcommittee, including a more detailed outline of the paper that the Subcommittee was drafting. The paper was intended to provide an overview of the questions that arose when countries considered whether to implement a wealth or solidarity tax. Mr. Troya noted that the Subcommittee intended to submit the first drafts to the Committee no later than the twenty-seventh session and the proposed guidance for final approval no later than the twenty-eighth session.

88. In his presentation, Mr. Troya reiterated that the Subcommittee conducted its work in accordance with previously established guiding principles, namely, that any guidance was non-prescriptive (focused on the advantages and disadvantages of various types of wealth taxation), non-duplicative (built on existing guidance) and collaborative (in liaison with other subcommittees, e.g., the Subcommittee on Increasing Tax Transparency).

89. Mr. Troya mentioned that, since the twenty-fourth session, the Subcommittee had introduced some editorial changes and had expanded the outline to include further headings and subheadings. He described the content of the more detailed outline in a marked-up version contained in annex A of the conference room paper, highlighting the additional information added to the previously discussed outline.

90. There was general support by Committee members for the work undertaken by the Subcommittee. Members and observers congratulated Mr. Troya and other participants in the Subcommittee on the progress made and wished them success for the ambitious workplan ahead. Some members underlined the importance of the topic in the light of increased inequality and countries’ efforts to build back better after the COVID-19 pandemic. Some members also noted the importance of the identification and valuation of assets for developing countries in taxing wealth and the relevance of country experiences in understanding key implementation issues.

91. There was also discussion on whether the Subcommittee would provide model legislation for a net wealth tax. It was decided that, as a first step, the Subcommittee would summarize necessary legislative elements of a net wealth tax in an appendix to a future paper.

N. Indirect taxes

92. The Co-Coordinator of the Subcommittee on Indirect Taxation, Kapembwa Elizabeth Namuyemba-Sikombe, introduced the Co-Coordinators' report on indirect taxes (E/C.18/2022/CRP.21), seeking approval of adjustments made to workstreams and proposed priorities and comments and guidance regarding the contents of the outlines on the overview chapter on the value added tax (VAT)/goods and services tax, the VAT treatment of small and medium-sized enterprises and VAT refunds.

93. Ms. Namuyemba-Sikombe recalled the mandate of the Subcommittee and provided Committee members with an update on the work undertaken since the twenty-fourth session. With regard to the adjustments proposed to workstreams and priorities, she noted that the Subcommittee proposed that design issues not be separated from compliance challenges, thereby taking a more holistic approach. She reported that the Subcommittee had engaged with representatives from 10 developing countries to ensure that the Subcommittee's workplan responded to their specific challenges in the area of VAT and the goods and services tax. The Subcommittee planned to complete work on the first three priority areas within the coming 18 months.

94. After Ms. Namuyemba-Sikombe had presented the outlines of the first three workstreams that were detailed in the conference room paper, comments by Committee members and observers focused on the importance of VAT for revenue generation and the achievement of the Sustainable Development Goals, issues of import VAT and the link between inflation and VAT.

95. Overall, there was support and appreciation for the work undertaken by the Subcommittee. The Committee endorsed the adjustments of the workstreams and proposed priorities. The Co-Coordinators welcomed the additional input provided and noted that the Subcommittee would consider them going forward.

O. Health taxes

96. Trude Steinnes Sønvisen, one of the two Co-Coordinators of the Subcommittee on Health Taxes, along with Ms. Namuyemba-Sikombe, introduced the topic. The Co-Coordinators' report (E/C.18/2022/CRP.29) presented the Subcommittee's work to begin drafting a handbook on health taxes for developing countries, the focus of the Subcommittee's work programme as approved by the Committee at its twenty-fourth session.

97. Ms. Steinnes Sønvisen presented two documents for discussion by the Committee. The first document, E/C.18/2022/CRP.30, was a draft chapter on general considerations in drafting health taxes, which was aimed at tax policy decision makers. The second document, E/C.18/2022/CRP.31, contained the outlines of four additional chapters of the handbook: one addressed to ministers; two directed to those designing the health taxes; and one on tax administration.

98. There was a lively discussion among the members and observers. Many of the comments related to issues that were to be addressed in chapters of the handbook that would be presented to the Committee at future sessions. In particular, several members and observers emphasized the importance of addressing the relationship between increased excise taxes and illicit activities (e.g., smuggling).

99. Several others mentioned the need for health taxes to comply with international legal obligations, an issue alluded to in chapter 2 of the handbook, but which would need to be expanded in another appropriate chapter (or chapters). For example, one member and an observer mentioned that some countries had imposed lower excise taxes on traditional alcoholic beverages, which could be problematic from a trade

perspective. An observer suggested that chapter 2 should refer to the WHO Framework Convention on Tobacco Control and chapter 7 to the Protocol to Eliminate Illicit Trade in Tobacco Products.

100. In response to an observer questioning the importance and priority of that work for developing countries, Ms. Namuyemba-Sikombe explained the importance of health taxes for developing countries in terms of achieving the Sustainable Development Goals relating to improved health outcomes and as a source of revenue. Ms. Steinnes Sønvisen concluded the discussion by noting that the substantive comments would be taken into account in drafting the relevant chapters.

P. Relationship of tax, trade and investment agreements

101. The Co-Coordinator of the Subcommittee on the Relationship of Tax, Trade and Investment Agreements, Mr. Roelofsen, presented the Co-Coordinators' report on the topic (E/C.18/2022/CRP.18). He recalled that workstream A addressed taxation policy and administration measures and their relationship with international investment agreements and that workstream B referred to the relationship between tax treaties and the General Agreement on Trade in Services. Workstream C would consider issues other than those addressed in workstreams A and B, such as other tax-related issues in trade agreements or mixed trade and investment agreements.

102. Subsequently, the Department of Economic and Social Affairs consultant, Alain Castonguay, participating virtually, briefed the Committee on the draft outline for a report on the relationship of tax and investment treaties commissioned by the Department. He presented key features of that outline, among them, the impact of international investment agreements on taxation, proposals to address the issue of taxation in international investment agreements and practical implementation of guidance in future international investment agreements. He emphasized that concerns of tax officials should be taken into account when countries negotiated investment agreements. The consultant's report intended to assist discussions in the Subcommittee on the topic.

103. The Director of the Investment Research Branch at the United Nations Conference on Trade and Development, Richard Bolwijn, made a briefing on the organization's work on international investment agreements, as referenced in E/C.18/2022/CRP.18. He highlighted key elements of the *2022 World Investment Report*, including the international tax reforms and sustainable investment implications of base erosion and profit shifting pillar 2 on investment policy. He underscored the need to promote more coordination and collaboration between investment and tax communities. The other Co-Coordinator of the Subcommittee, Ms. Kana, agreed with Mr. Bolwijn on that aspect, which had been recognized in Subcommittee work to date, emphasizing the broader importance of building bridges in investment and tax, namely, that tax experts should learn about investment policies, and vice versa.

104. A fruitful discussion followed. Members of the Committee and observers commended the work of the Subcommittee and the paper's outline, which would assist the Subcommittee in its own work, while stressing the need to create further awareness of investment agreements that covered taxes. One member pointed out that dispute mechanisms in investment agreements had an impact of international tax agreements, while suggesting that the Committee could examine such mechanisms going forward, especially because dispute panels could result in enormous financial consequences for countries.

105. Members and observers noted that there was a significant distinction between old and new investment treaties in any analysis, and it was suggested that the Committee's work on fast-track mechanisms for updating bilateral tax treaties might

also provide lessons for the investment community, as might the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting. While the Subcommittee did not propose dealing in any detail with issues from the investment side, such as whether investment agreements should be entered into, or investment treaty shopping, they could be mentioned to ensure awareness of the matter and the necessary context.

106. The Subcommittee thanked participants for the comments and suggestions and would consider them in taking forward the work.

Q. Capacity-building

107. The Chief of the Capacity Development Unit, Emily Muyaa, presented an update on the Secretariat's capacity development programme on tax and domestic resource mobilization. She focused her presentation on the capacity development activities carried out since the Committee's twenty-fourth session, in April 2022, and the planned activities through March 2023.

108. Reference was made to the following:

(a) Workshops and webinars at the global, regional and country levels (e.g., preparation for tax treaty negotiations (the first in-person event since the onset of the COVID-19 pandemic, held in liaison with OECD), carbon taxation and other environmental taxation (virtual) and the forthcoming in-person workshop on practical application of the mutual agreement procedure, in cooperation with the Caribbean Organisation of Tax Administrators, among others);

(b) Online courses (e.g., the upcoming online courses on transfer pricing and selected topics of tax treaties);

(c) Technical advice to requesting Member States.

109. Michael Lennard of the Secretariat reported on the recent virtual workshop on practical and policy aspects of taxation in a digitalized and globalized economy, noting its timeliness in assisting participants in identifying and assessing options available to their countries in both negotiations and implementation of any negotiated outcomes, as well as in assessing and addressing domestic law options.

110. Additional items presented encompassed the dissemination of Committee guidance products and outreach, activities within the framework of the Platform for Collaboration on Tax and communities of practice (presented by the Interregional Adviser on Tax in the Financing for Sustainable Development Office, Patricia Brown, as a new initiative that is intended to encourage a peer-to-peer exchange of experience among negotiators from developing countries on selected issues of international taxation, e.g., beneficial ownership, permanent establishment and royalties).

111. Committee members and observers commended the capacity-building work carried out to date by the Department of Economic and Social Affairs and its partners. Some members underscored how the Secretariat's capacity development work provided a two-fold benefit, namely, that it supported the dissemination of the Committee's guidance among developing countries and, at the same time, informed the Committee's work. Members and observers also suggested the following to the Secretariat: capacity-building on transfer pricing and advance pricing agreements negotiation; communities of practice on domestic tax issues; ensuring a balance between virtual and in-person events; and delivery of capacity-building events in French and Spanish.

112. Ms. Muyaa thanked members and observers for their suggestions and engagement.

R. Other matters for consideration

113. Mr. Lennard informed the meeting that some proposals had been put forward for discussion relating to provisions in the United Nations Model Double Taxation Convention between Developed and Developing Countries by some Committee members that would be considered within existing Subcommittee structures and workstreams prior to the next session. An issue of the relationship of taxation and foreign exchange issues would be elaborated prior to that session and considered during the session as part of agenda item 3 (r) (Other matters for consideration) (see chap. II above). There were no other matters for consideration that needed to be addressed during the session.

Agenda Item 4: Provisional agenda for the twenty-sixth session of the Committee

114. The provisional agenda proposed for Economic and Social Council approval by the Committee is found in chapter II above.

Agenda Item 5: Arrangements for adopting the report of the Committee on its twenty-fifth session

115. Mr. Lennard noted that arrangements for the report on the session would, as usual, be as provided in the Committee document entitled “Practices and working methods for the Committee of Experts on International Cooperation in Tax Matters”.

Closing remarks

116. The Co-Chairs thanked Committee members and observers for their participation in the session, both in-person and virtually, and expressed their gratitude that an in-person meeting had been possible. They also highlighted the work undertaken by Coordinators and Co-Coordinators of the various subcommittees and subcommittee participants and thanked the Secretariat for its support.

117. Ms. Kana noted that she was confident that the high expectations placed upon the Committee would be fulfilled. Many developing countries, in particular, were following the work of the Committee closely and were looking forward to the guidance being developed. She expressed thanks to the existing donors, (India, Norway and Sweden, as well as the European Union) and stressed the need to provide additional and more sustainable budgetary resources for the Secretariat to enable the Committee to achieve its purpose and deliver on its mandate. For his part, Mr. Gbonjubola thanked the Government of Switzerland for its hospitality in support of the session.

118. On behalf of the Secretariat, Mr. Lennard thanked all participants, conference services and interpreters, and especially the Co-Chairs for their skilled and effective chairing.

