



PLURINACIONAL STATE OF BOLIVIA  
MINISTRY OF FOREIGN AFFAIRS



Permanent Mission to the Organization of the United Nations

**Substantive inputs by the Plurinational State of Bolivia to the work of  
the Committee drafting the Terms of Reference for a UN framework  
convention on international tax cooperation**

**(First substantive session)**

*Guiding question: “What are some specific problems that could be addressed  
by a UN framework convention on international tax cooperation?”*

The terms of reference for a UN framework convention on international tax cooperation need to build upon GA Resolution 78/230, and set the scope of a UN framework convention on international tax cooperation in a way that ensures effective implementation, enforcement, and monitoring.

**Procedural elements**

The framework convention shall be negotiated through delegates from Member States and its intergovernmental nature needs to be preserved. Consultations with UN bodies, UN agencies, international organizations, academia and other relevant stakeholders should be facilitated in parallel, so they can provide recommendations for the consideration of Member States.

The text of the framework convention should be drafted through an intergovernmental negotiating Committee, adapting of rules of procedure of other UN framework conventions, particularly the UN framework Convention on Climate Change (A/AC.237/9), given its near-universal membership and acceptance. The framework convention shall be finalized seeking general agreement as much as possible, and the work of the Committee and its subsidiary organs shall follow the rules of the General Assembly and its committees, respectively.

Subsequently, Member States will be granted the opportunity to sign the convention to indicate their intention to be bound by its provisions. Ratification, acceptance, or approval by the respective national authorities would follow, depending on each country's constitutional procedures. The convention would enter into force upon a specified number of ratifications.

Parties to the Framework Convention would be responsible for implementing the provisions of the convention and its protocols into their domestic legal



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systems. This may require enacting new legislation, amending existing laws, or adopting administrative measures to ensure compliance with the framework convention's requirements.

### **Substantial elements**

By establishing clear and comprehensive terms of reference, a UN framework convention on international tax cooperation would provide the path forward on the process to establish a solid foundation for promoting collaboration among countries and addressing the challenges of taxation in the modern world.

To provide clear guidance to the drafting process, the terms of reference need to include at least the objective of the future UN Framework convention. Bolivia proposes the following:

*The ultimate objective of this Convention, and any related legal instruments that the Conference of the Parties may adopt in accordance with the relevant provisions of the Convention, is to promote international tax cooperation to ensure that tax systems are fair, equitable, progressive, transparent and effective; and to combat tax-related illicit financial flows, with a view to reducing inequality within and among countries and mobilizing financing for governments to fulfil their goals, obligations and commitments, including those relating to the achievement of the Sustainable Development Goals.*

The terms of references should provide also a base structure for the Framework Convention including:

1. Preambular paragraphs
2. Definitions
3. The objective
4. Principles
5. Scope in terms of areas of cooperation covered.
6. Means of implementation



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7. Institutional Framework (Conference of parties, Secretariat, Subsidiary bodies for advice and implementation, financial mechanism)
8. Monitoring and Review
9. Settlement of disputes
10. Amendments
11. Protocols
12. Interim arrangements
13. Participation and Membership (Ratification, acceptance, approval or accession)
14. Entry into force

***Specific problems and areas of work***

The UN framework convention on international tax cooperation should address key challenges related to fair, equitable, transparent, and effective taxation in the global context, while taking into account the needs, priorities and capacities of developing countries.

The areas of work must have holistic, sustainable development perspective that considers interactions with other important economic, social and environmental policy areas, and should include:

1. **Common Principles and Best Practices:** International tax cooperation to establish common principles and best practices for international taxation to ensure fairness, transparency, and consistency across jurisdictions, including those related to the allocation of taxing rights, the determination of taxable income, the treatment of cross-border transactions, and the resolution of tax disputes.
2. **Prevention of Tax Evasion and Avoidance:** International tax cooperation to prevent tax evasion and avoidance by multinational and transnational corporations and high-net-worth individuals, including



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by strengthening anti-evasion and anti-avoidance rules, improving transparency and information exchange between tax authorities, and enhancing cooperation in the enforcement of tax laws.

3. **Combatting Base Erosion and Profit Shifting:** International tax cooperation to address the challenges posed by base erosion and profit shifting strategies employed by multinational and transnational corporations to minimize their tax liabilities, including by setting transfer pricing rules, eliminating tax havens and harmful tax practices, and improving the alignment of tax rules with sustainable development.
4. **Fair Allocation of Taxing Rights:** International tax cooperation to ensure the fair allocation of taxing rights among countries, particularly in the context of digitalized and globalized economies, including by revising existing international tax rules to better reflect the value created, aggregated and transferred by digital businesses and other multinational enterprises in different jurisdictions.
5. **Tax Competition and Harmful Tax Practices:** International tax cooperation to address harmful tax competition and the use of aggressive tax planning schemes by countries to attract investment and businesses, including by promoting greater transparency in tax incentives and preferential regimes, discouraging harmful tax practices, and fostering cooperation among countries to establish minimum standards for corporate taxation.
6. **Digital Economy Taxation:** International tax cooperation to develop international consensus on the taxation of the digital economy to ensure that digital companies contribute their fair share of taxes in the countries where they operate and generate profits, including by exploring new approaches to taxing digital transactions, data, and user participation in digital platforms.
7. **Illicit Financial Flows:** International tax cooperation to combat and prevent illicit financial flows and improve transparency in the global financial system, including by addressing stolen assets, money laundering, financing of activities against international law.
8. **Technology Transfer and Capacity Building:** International tax cooperation to transfer technology and provide capacity building to



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developing countries with limited administrative capacities to strengthen their tax systems, including by establishing technology mechanisms, training programs, knowledge sharing initiatives, and financial support for improving tax administration and enforcement.

9. **Promotion of Sustainable Development:** International tax cooperation to integrate tax policy objectives with broader sustainable development goals, especially poverty eradication and inequality reduction, including by leveraging tax policy instruments to promote inclusive and equitable economic development, support social welfare programs, taking into account historical responsibilities and operationalizing equity and common but differentiated responsibilities and respective capabilities, in light of different national circumstances, through taxation in order to enhance just environmental and climate action.