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To The Chairman

Ad Hoc Committee

ahc-tax@un.org

UN Department of Economic and Social Affairs

Ref. Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

Dear Mr. Chairman,

In response to your invitation to provide input to the work of the Committee on a United Nations Framework Convention on International Tax Cooperation, I would like to submit my input on a substantive element to be considered in deciding on the question “*What are some specific problems that could be addressed by a UN framework convention on international tax cooperation?*”

The UN framework convention on international tax cooperation could address some aspects related to tax incentives, in particular in developing countries. This idea for your consideration follows existing asymmetric approaches in the implementation of Pillar 2 as proposed by the OECD, as well as the need to counterbalance the negative and problematic effects of such an approach. In addition to this, to the need to promote policies that take into account: on the one hand, how to increase tax revenues without affecting economic development, losing investments and sacrificing job creation (as an undoubted externality in the contribution to the public goal). On the other hand, the need to promote transparency, fairness and sustainability in the use of tax incentives in a coordinated global manner.

The convention could make progress in 1) the establishment of common principles and guidelines for the design, implementation, monitoring and evaluation of tax incentive programs within UN Member States; 2) mechanisms for internalizing positive effects of incentives in the society and economy; 3) guidelines and measures for preventing the abuse of tax incentives in international tax law as well as in connection to investment and other treaties; 4) mechanisms for disclosure and exchange of information on incentive programs; 5) the alignment of domestic incentive programs with the UN Millennium Development Goals, 6) developing international sunset clauses that automatically terminate tax incentives after a certain period of

time unless they are renewed based on evidence of their effectiveness, 7) establishing a UN forum to facilitate peer evaluation and learning among countries on the design and implementation of tax incentive programs, exchange of best practices in the administration of incentives, and possible peer reviews in the application of the UN Framework Convention. Such a forum could consider involving civil society, academia, industry, business associations, policy makers and various stakeholders.

Please note that this input is provided in my personal capacity and does not represent the views or opinions of my employer. I am honored to extend my full cooperation in formulating specific measures within the designated field and would be grateful if the Committee would consider accepting my participation as an observer in its sessions.

Yours sincerely,

A handwritten signature in black ink, reading "Aquilana Buitrago P." The signature is written in a cursive style and is positioned to the right of a vertical line.