Response of Czechia to the request by the Chair of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

Czechia respectfully acknowledges the request made by the Chair of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation (hereinafter “Ad Hoc Committee”) and would like to respond to this request while duly considering the aspirations of the General Assembly resolution 78/230, previous discussions at the Ad Hoc Committee, the Sustainable Development Goals, and ongoing progress within other international tax bodies, notably the contributions from the Inclusive Framework on Base Erosion and Profit Shifting (hereinafter "IF").

First, Czechia would like to emphasize that the process of drafting the UN Framework Convention on International Tax Cooperation must embody the spirit of inclusivity. However, it is difficult to establish inclusivity when not everyone consents to the final decision. In light of this, we would like to reaffirm our support for views expressed by other members stressing the importance of consensus. Only a consensus-driven approach is the cornerstone of genuine inclusivity.

Furthermore, Czechia values projects focused on further international tax cooperation. While we acknowledge the potential benefits of these efforts, we wish to express our concern regarding the demands these obligations generate on the time of our tax experts and additional budgetary claims. Since we are certain that this is an issue for many other countries, we would appreciate it if the future work would be streamlined and would not duplicate any work that takes place within other international fora.

Last, regarding the substantive work, since the IF has not finalized the Pillar 1 project yet, we are of the opinion that it would be premature to work on an early protocol that would deal with the same or similar issues. Thus, we would like to reiterate that it is essential to avoid duplicating effort in this manner as well.