



MINISTRY OF FINANCE  
HUNGARY  
DEPARTMENT OF INTERNATIONAL TAXATION AND TRANSFER PRICING

**Hungary's Comments with respect to the future work of the Ad Hoc Committee to the Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation**

Hungary appreciates the invitation to provide inputs with respect to the work of the Ad Hoc Committee to the Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation. By leveraging its broad membership and strengths, the proposed UN Framework Convention on International Tax Cooperation should aim to catalyse global dialogue and create policy synergy.

Referring to the organizational session of the Ad Hoc Committee held on 20-22 February 2024 and in relation to the first substantive session, please find below our comments and preferred approach. The aim of our comments is to express our view on the topics that we would prefer to be covered under the Framework Convention.

As a general comment, Hungary agrees to and supports the work of the UN on more inclusive and effective international tax cooperation. The work should aim to gather countries to exchange effective practices on mobilising domestic resources through both tax policy formulation and the strengthening of enforcement mechanisms. This effort underscores the pivotal role of the UN in supporting member states to mobilise domestic revenues and finance development strategies, aligning closely with the aspirations outlined in General Assembly resolution 78/230.

Consistency with ongoing work and consensus achieved in the OECD and other international fora (such as the Inclusive Framework on BEPS and the Global Forum on Transparency and Exchange of Information for Tax Purposes) should be a guiding principle, aiming to build on these strengths and engage in effective cooperation to ensure a synergistic approach to global tax challenges. The work though should seek to avoid duplications and unnecessary extra budget claims, advocating for a decision-making process that strives for consensus. Furthermore, we have identified four topics, Hungary would welcome negotiations focusing on:

- Dispute avoidance and resolution;
- Digitalization and other opportunities to improve tax administration;
- Increasing tax transparency; and
- Capacity-building.

This effort should also seek to ensure that these endeavours are in line with the Sustainable Development Goals (SDGs), promoting a more equitable and sustainable approach to

international tax cooperation. The work should therefore start with a thorough analysis of issues that strengthen the inclusiveness and effectiveness and that support the Sustainable Development Goals and domestic resource mobilisation.

We hope that our insights are useful contributions to the discussion.

Yours sincerely,

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Head of Department

Budapest, 14 March, 2024