

Mexico's Relevant Aspects for an International Fiscal Cooperation Convention

International tax conventions play a crucial role in promoting cooperation between countries to avoid double taxation, prevent tax evasion, and foster fiscal transparency. To ensure effective international cooperation on fiscal matters, these conventions need to contain clear and comprehensive provisions that address a wide range of aspects.

The following outlines the most relevant aspects, in our opinion, that should be considered in an international tax convention for cooperation between countries.

1. Scope and Definitions

The convention must clearly establish its scope, defining the taxes covered, the taxpayers subject to the convention, and the key terms used in the text. It's essential to provide a solid basis for the uniform interpretation of the convention among the signing countries.

2. Information Exchange

Cooperation in exchanging tax information is essential to combat tax evasion and ensure fiscal transparency at an international level. It's advisable for the convention to establish a clear framework for timely information exchange between the tax authorities of the signing countries, without duplicating the work contained in other international instruments.

3. Dispute Resolution Procedures

It is fundamental to establish effective mechanisms for dispute resolution between the signing countries in the event of divergent interpretations or conflicts in the application of the convention. This can include negotiation procedures, arbitration, or other dispute resolution methods that ensure a uniform and fair application of the convention.

4. Mutual Administrative Assistance

The convention could establish a framework for mutual administrative assistance between the tax authorities of the signing countries, facilitating

collaboration in the investigation and prosecution of tax crimes, the monitoring of illicit financial flows, and asset recovery.

5. Cooperation in the Recovery of Tax Debts

To facilitate the recovery of cross-border tax debts, it would be beneficial for the convention to contain mechanisms that enable cooperation in the execution of collection measures, including mutual recognition of court decisions and assistance in the execution of seizure orders, without duplicating work contained in other international instruments and with an emphasis on the provision of cross-border digital services, considering both direct and indirect taxes.

6. Cooperation in Capacity Development

It is important to promote technical cooperation and capacity development among the signing countries to strengthen their tax systems and improve their ability to effectively implement the convention. This may include training programs, exchange of best practices, and technical assistance in areas such as tax administration, tax legislation, and tax risk management.

7. Resource Mobilization

Mechanisms could be included that enable resource mobilization, in particular, to finance capacity building for tax debt recovery for countries with lower income.

8. Adaptability and Updating

Due to the constant evolution of the international tax environment, the convention should be flexible enough to adapt to changes in tax practices and international standards. Provisions could be included that allow for the review of the convention and its updating to reflect the most recent developments in tax matters.

In light of the above, it is important that an international tax convention for cooperation between countries address a wide range of aspects to promote effective cooperation on tax matters and combat tax evasion at an international level.