

Contributions from Peru to the work that will be developed by the Special Intergovernmental Committee responsible for drafting the terms of reference of the United Nations Framework Convention about International Tax Cooperation

First of all, we want to congratulate the members of the bureau for their appointment.

Peru considers as utmost importance the work begun in the United Nations to get an international tax cooperation system more inclusive and effective and we hope that, after the discussions, we can adopt a multilateral treaty and protocols to contribute for obtaining additional resources to finance sustainable development of our countries, which are needed to implement the 17 sustainable development goals of the Agenda 2030.

In that sense, below are the topics that we consider should be taken into consideration for the United Nations Framework Convention on International Tax Cooperation (the Framework Convention):

#### 1. Protocols

A provision about how protocols will be developed, negotiated and agreed must be established, as well as the principles that will guide its development such as the equitable allocation of taxing rights that should contribute to achieving the sustainable development goals of the 2030 Agenda.

Among the topics that we suggest to prioritize are the following:

- i) Taxation of cross-border services.
- ii) Exchange of information about taxation (automatic exchange on information of income obtained from the provision of cross-border services).

#### 2. Governance

We consider that it is important to established a supreme decision-making body for the Convention

(Conference of the Parties) and a secretariat with sufficient technical knowledge in view of the work that will be involved in drafting the protocols . About the above mentioned necessity, it is considered important to analyze the role that the Committee of Experts on International Cooperation in Tax Issues could play in these jobs.

**Decision-making rules:** Although there must be an effort to achieve consensus, majority decisions should be allowed if this is not possible within a reasonable time to achieve consensus. That proposal is in line with the voting rules of the United Nations General Assembly.

3. The terms of reference must also include provisions that guide the process for the preparation of the Framework Convention. In that sense, it must include the mechanisms to ensure compliance.

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