

Written Inputs to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

The Republic of Korea extends its sincere appreciation to the Ad Hoc Committee to Draft Terms of Reference (ToR) for a United Nations framework Convention on International Tax Cooperation, and proposes the following be incorporated in the ToR.

1. Introductory elements

➤ Principles

- Comprehensively engaging the Parties to the Convention, international organizations and private experts, thereby coming up with viable measures for international cooperation.

➤ Objectives

- To support *Domestic Resource Mobilization(DRM)* of the developing countries by eliminating illicit financial flows and building capacities in tax policy and administration to the extent of aligning with economic growth.

➤ Relationship with other agreements, instruments, and domestic law

- The existing conventions on international tax cooperation and other pending matters at the international organizations should be respected, with the duplicated discussions and violations thereon being prevented. Methods of international tax cooperation, in particular, should be reviewed to the extent of upholding tax sovereignty of the jurisdictions.

2. Operational articles

➤ Commitment

- Tasks to be addressed by the ToR and the Framework Convention should be focused on the policy direction at a high level instead of the specific matters. Nonetheless, the relevant discussions should be sufficiently comprehensive so as to reflect the interests of each member states.
- The Parties to Framework Convention undertake to enhance capacities of the developing countries facing DRM issues, mainly tackling illicit financial outflows, underdeveloped tax infrastructure, and lack of international tax capabilities.
- Furthermore, under the exchange of tax information scheme, the Parties to Framework Convention undertake to pursue ways that countries (especially developing one) could enjoy effectiveness and further more benefits.

3. Institutional arrangements

- Resources such as a negotiation body, secretariat and financial resources should be mobilized to draft the Framework Convention following the ToR.

4. Procedural arrangements

- To facilitate substantive implementation of the Framework Convention henceforth, the decision making should be based on

consensus, or at least super majority voting (more than two thirds of votes).

5. Others

- Cooperation and collaboration with other international organizations such as OECD should be secured.