



Ministry of Finance
Tax and Customs Department

Input to the UN Ad Hoc Committee on Tax for its first substantive session

We thank the Chair for the opportunity to provide written comments for the first Substantive Ad Hoc Committee session (26 April to 8 May 2024).

General comments

By leveraging its broad memberships and strengths, the proposed UN Framework Convention on International Tax Cooperation should aim to catalyse global dialogue and create policy synergy.

In recognition of the call for more inclusive and effective international tax cooperation, and regardless of the issues the convention or protocols will eventually cover, the aim should be to gather countries to exchange effective practices that aligns with the aspirations outlined in General Assembly resolution 78/230.

Making use of the revenue raising potential is key for sustainable development. Vital factors in the tax area in this regard are a well-functioning tax administration, foreseeable and properly designed tax legislation and reporting standards. In addition, the international cooperation on exchange of information for tax purposes is fundamental to the enforcement of domestic tax laws and to the prevention of tax avoidance and tax evasion. Such factors can help promote trust in public institutions which is key for successful national reform.

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 convention should seek to avoid duplication of work and unnecessary extra budget claims.

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.

Governance

All member states should have the opportunity to participate in international tax cooperation on equal terms and the decision-making process should focus on the inclusiveness by recognising every member state's voice.

Moreover, to establish a process that is effective and inclusive and reduces the risk of further fragmentation and competition in the international tax landscape, it is important that such a process is built on consensus. Only then is it possible to establish a framework convention that can be widely implemented. We do also understand that other framework conventions have been adopted by a consensus-based approach in the past.

The upcoming negotiations will require the participation of tax experts from member states, which will be demanding from an administrative point of view. We therefore think it is very important to allow for a hybrid negotiation format to be applied going forward (limited to a maximum of 5 days per session). This would lower the travel costs and promote the inclusiveness of participation.

Comments regarding input on specific issues

Before discussions start on potential specific issues to be covered by the Convention (or by Protocols) the work should focus on analyzing what the overall purpose of the Convention should be. Thus, it is essential at this stage of the process to understand which problems, that have not already been addressed by other international fora, that are intended to be solved by the Convention. Only after such an analysis has been carried out is it possible to establish a stable basis for the upcoming work with identifying specific issues to be covered.