March 15, 2024

Chair of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation
Financing for Sustainable Development Office
United Nations, New York

Via email: ahc-tax@un.org

Re: Ad Hoc Committee Drafting Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

Dear Sir or Madam:

The Chair of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation (the “Committee” and “Convention,” respectively) has invited stakeholders to provide feedback prior to the Committee’s first substantive meeting in New York City next month. During this session, the Committee will define the draft terms of reference of the Convention (“ToRs”) and discuss certain matters to be addressed in the draft ToRs.

The question put to stakeholders is: What are some specific problems that could be addressed by a UN framework convention on international tax cooperation? In particular, feedback on procedural and substantive elements for the Committee’s agenda and ToRs was requested. I am pleased to respond to the Committee’s request for feedback on behalf of Tax Executives Institute, Inc. (“TEI”).

About Tax Executives Institute, Inc.

TEI was founded in 1944 to serve the needs of business tax professionals.¹ Today, the organization has 56 chapters in North and South America, EMEA, and Asia. As the preeminent association of in-house tax professionals worldwide, TEI has a significant interest in promoting sound tax policy, as well as the fair and

¹ TEI is organized under the Not-For-Profit Corporation Law of the State of New York, U.S.A. It is exempt from U.S. Federal Income Tax under section 501(c)(6) of the U.S. Internal Revenue Code of 1986, as amended.
efficient administration of the tax laws, at all levels of government. Our over 6,000 individual members represent over 2,900 of the leading companies in the world.

TEI is dedicated to the development of sound tax policy, compliance with and uniform enforcement of tax laws, and minimization of administration and compliance costs to the benefit of both government and taxpayers. These goals can be attained only through the members’ voluntary actions and their adherence to the highest standards of professional competence and integrity.

**TEI Comments**

TEI commends the Committee for reaching out to a variety of stakeholders to ensure diverse input into the ToR. As only one question was put to stakeholders, the short turnaround time for stakeholder input is understandable. Going forward, however, in TEI’s view a longer comment period for stakeholders to provide input would be more helpful to the Committee, especially once the questions and drafts become more substantive.

We offer the following considerations regarding the Committee’s question:

1. Corporate taxpayers prefer clear and principled based, simple, stable, and effective tax rules that allow companies to be compliant, and that tax revenues only once.

2. For tax rules to be applied effectively and consistently, corporate taxpayers depend on rules set by governments and should be able to depend on the certainty of arrangements made between countries.

3. TEI believes fiscal stability and tax certainty for taxpayers and tax authorities should be guiding principles. In view of these principles, any substantive scoping would best be preceded by gap and impact analysis, considering implementation costs for taxpayers and tax authorities and not focused on replacing well established, principled based international tax rules, tax allocation rules, and rules for the avoidance of double taxation.

4. Any international tax policy work needs to include clear rules on how work from the framework interacts with in-country rules as well as established international tax principles.

5. Predictability of rules is only workable in international taxation on the basis of deep and broad consensus – across members states and with other international tax organizations.

6. Procedurally, it would be important to ensure clarity, agreement, and transparency on how mandate, authority and validity of any international tax cooperation committee relates to in-country policy makers, which are constitutionally mandated to set tax rules, as well as how it relates to other international organizations.

7. TEI believes any work on international tax and tax allocation rules requires appropriate tax technical expertise.
8. The present UN Tax Committee on International Tax Cooperation has well established protocols of cooperation and drafting guidance notes on a multistakeholder basis. A United National Framework Convention will only be truly inclusive if the convention recognizes taxpayers as a relevant stakeholder in its procedures.

TEI appreciates the opportunity to comment on the Committee’s ToRs. TEI’s comments were prepared under the aegis of its EMEA Direct Tax Committee. Should you have any questions regarding TEI’s comments, please do not hesitate to contact An Theeuwes of Shell at an.m.l.theeuwes@shell.com, or Benjamin Shreck of TEI’s legal staff at bshreck@tei.org or +1 202 464 8353.

Respectfully submitted,

Sandhya Edupuganty

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TAX EXECUTIVES INSTITUTE