

The UAE's inputs for the first substantive session of the ad hoc tax committee

We thank the Chair of the Ad Hoc Committee to Draft Terms of Reference (“TOR”) for a United Nations Framework Convention on International Tax Cooperation (the “Committee”) for the opportunity to provide our inputs to the work of the Committee for its first substantive session.

The UAE supports the UN in its goal to achieve inclusive international tax cooperation and reiterates the need for consensus-based decision making and outcomes to ensure effective cooperation is achieved and long-term implementation of all outcomes is possible by all member states.

The UAE encourages the UN to focus on gaps in effective international tax reforms to ensure tax policy makers and administrators efforts are appropriately targeted and to avoid any potential duplication of efforts with other ongoing international tax reforms.

We reiterate the need for the Committee to focus on realistic goals and timeframes and items of substantive matters. In particular, we highlight the need for the Committee to focus on:

- Strengthening capacity building Initiatives to ensure developing countries and least-developed countries can effectively implement both current and future international tax reforms.
- Minimizing the additional burden on Tax Administrations and Businesses of all international tax reforms. This is important to ensure that the compliance burden for all stakeholders remains as low as possible whilst not hindering the integrity of the policy objectives.
- Applying efforts in the area of simplification and dispute resolution, for example by way of the application of safe harbors or transitional reliefs to complement the above two objectives and give all stakeholders sufficient time to fully comply with the rules.

As a partnering jurisdiction with Singapore on the Committee Bureau, we echo Singapore's comments on the TOR document and we reiterate their call for the Committee to make use of other organizations (e.g. OECD) / existing platforms (e.g. the Platform for Collaboration on Tax) to provide technical expertise to support the AHC's work. In addition, to ensure that all inputs are considered, and needs addressed, we also request that there is sufficient time for negotiating the Convention so that the Committee can arrive at practical and well thought through long term solutions that can best serve the collective interests of all member states to ensure coordinated policy objectives are met.

Conclusion

As a country that has recently transitioned from a 2.2. No/Nominal tax jurisdiction status to a 2.1 jurisdiction and is in the process of undertaking significant domestic and international corporate tax reforms, we reiterate our commitment in sharing knowledge on such important matters and playing a constructive role by bridging differences and building common ground between member states that maybe implementing their own domestic reforms.

In addition, as a partnering bureau member, we will continue to participate actively in the technical and procedural discussions, and we look forward to collaborating and collectively working towards a draft TOR for the Framework Convention that all member states can support.

Total: 497 words