

Algeria's inputs on the bureau's proposal for the zero draft terms of reference for a united nations framework convention on international tax cooperation

Algiers, Algeria - June 21, 2024.

General comments

1. Algeria reiterates its support for the work of the framework convention on international tax cooperation at the United Nations and welcomes the publication of the draft zero terms of reference for a United Nations Framework Convention on international tax cooperation. Algeria thanks the members of the Bureau for their efforts to complete the work on the development of the Framework Convention, within the agreed deadlines.
2. We believe that this draft zero reflects the essence of the positions presented during the first session and that it will, in this sense, constitute a good basis for discussion during the second (2nd) substantive session, which will be held from July 29 to August 16, 2024.
3. As such, Algeria supports the contribution made by the African Union (AU), on behalf of the African Group, and wishes to add the following comments, in its national capacity.

Specific comments

4. Algeria would like to emphasize the following points:

Preamble :

5. Being a first legally binding convention drawn up under the auspices of the United Nations on tax matters, we believe that the preamble constitutes an important part and an essential element of the Framework Convention, in that it will make it possible to understand and situate the historical context of the development of this Framework Convention by stating the intentions of the States Parties to the Convention and the reasons which motivated and guided its development.

Principles :

6. Paragraph 9: In order to strengthen the presence and effectiveness of participation by Member States in the work to develop the framework convention, it is proposed to add to paragraph 9, the following paragraphs:

- enable inclusive and effective participation in setting the agenda;
-strengthen the negotiating capacity of Member States, in particular developing countries.

Substantive elements of the framework convention :

7. Paragraph 10: this paragraph as drafted risks restricting the scope of application of the framework convention, in terms of international tax issues that can be addressed and thus limiting the commitments of the States parties to the Framework Convention on future themes to be identified. As such, it is proposed to reformulate this paragraph in such a way as to allow opportunities for broader engagement during the negotiations.

Structurel elements of the framework convention :

8. The structure of the Framework Convention should include a Secretariat, specialized working groups and an advisory body.

Specific Priority Areas to be Addressed in Early Protocols

9. Algeria is of the opinion to limit the number of the first protocols to two (2), giving priority to “tax-related illicit financial flows” and “taxation of the digital economy”. This limitation will make it possible, firstly, to direct available resources towards priority work, namely the framework convention and the preliminary protocols on issues deemed urgent by Member States due to the damage it causes to efforts to mobilize fiscal resources by States.

Approaches and Timeframe

10. On this point, we propose:
 - That the number and duration of sessions of the Intergovernmental Committee be as short as possible in order to reduce the costs of participation in these sessions for developing countries and the excessively long mobilization of experts from Member States;
 - Make available to countries, in advance, the documentation necessary for the preparation of negotiations and in all official languages of the United Nations.