





<u>Comments on the Zero Draft Terms of Reference for a United Nations</u> <u>Framework Convention on International Tax Cooperation</u>

Morocco

Morocco would like to commend the work of the Bureau members and all the other parties involved in the process of elaborating the Terms of Reference of the Framework Convention on International Tax Cooperation at the United Nations.

Morocco reiterates the importance of the commitment of all member States to achieve Sustainable Development Goals, including the objective of reducing significantly illicit financial flows. To this end, it is essential to intensify international tax cooperation through the implementation of universal approaches that take into account the different needs and capacities of all countries.

In this regard, Morocco aligns with the African Group position and submits hereafter comments on the Zero Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation:

Principles:

<u>Paragraph 9 (1^{st} point)</u>: Morocco considers that the expression "in particular countries with specific situations" is not clear and suggests redrafting it as follow:

"be universal in approach and scope and should fully take into account the different needs, priorities, and capacities of all countries, **in particular developing countries**;"

Capacity building:

<u>Paragraph 11:</u> Morocco considers that inclusive and effective participation in international tax cooperation and capacity building do not find their basis in the principle of "tax sovereignty" but rather in the 1st principle mentioned in paragraph 9, namely "the universal approach". Therefore, Morocco suggests replacing the expression "Recognizing that respect for tax sovereignty implies..." with "Recognizing that fully inclusive tax cooperation implies...".

Structural elements of the Framework Convention:



Paragraph 13:

- Morocco considers that the expression "exchange of information (for implementation of the Framework Convention)" needs to be clarified.
- Morocco also suggests adding reference to "Technical Subcommittees" in charge of elaborating protocols, given that these protocols are highly technical and need to be negotiated by experts in each field.
- Morocco proposes to add "the procedures for entry in to force" as one of the structural elements.
- Morocco suggests to provide for the creation of an advisory body in charge of consultancy and technical supervision of the work on the Framework Convention and the early protocols.

Specific priority areas to be addressed in early protocols:

Paragraph 14:

With regard to the negotiation of early protocols simultaneously with the Framework Convention, Morocco reiterates its support for this approach and agrees that the terms of reference should specify the modalities for negotiating, adopting and implementing these early protocols.

Morocco also considers that tax systems should keep pace with the evolution of new technologies in international tax cooperation landscapes. In this regard, Morocco deems that it is important to include taxation of Blockchain technology, Cryptoassets and Artificial Intelligence.

Approaches and time frame for negotiation:

<u>Paragraph 16:</u> Morocco considers that more precision is required about the composition of the intergovernmental negotiating committee to make clear if this committee would be composed of all member States, or elected members representing the different regions.

<u>Paragraph 17:</u> Morocco suggests mentioning that the early protocols would be negotiated by Technical Subcommittees.

Paragraph 18:

- Morocco supports the suggestion that the Bureau should have only one Chair;
- Morocco suggests that the Bureau be composed of 15 members elected on the basis of equitable geographical representation.

