

Second substantive session (26 July-16 August) of the Ad Hoc Committee to draft Terms of Reference for a UN Framework Convention on International Tax Cooperation

General Statement by the Portuguese delegation, to be delivered Monday 29th of July

Thank you, Chair.

We appreciate the efforts carried out in preparing this second session and take advantage of this opportunity to reiterate Portugal's commitment to the promotion of an efficient and effective international tax cooperation process at the UN level, contributing to advancing the stability and certainty within the international tax architecture.

Portugal aligns itself with the statements delivered by the EU and Hungary on behalf of the EU and its Member States and would like to add the following in its national capacity.

We believe that the proposed draft Terms of Reference can still be improved, an exercise to which we are committed, trusting that the AHC will strive to build bridges and find common ground, fostering what should be an increasing mutual understanding among Member States.

Allow me to focus on three points.

First, the Terms of Reference require greater clarity, namely with respect to the procedures to be followed by the future intergovernmental negotiating committee, in line with what has been done in other UNGA processes. Let me reiterate in this regard the importance of **consensus-based decision making**. So long as the Terms of Reference include specific references to future legal obligations or political commitments, a consensual decision-making process should clearly be reflected in the text. We all aim to achieve a universally accepted result, that is, a Framework Convention (and related Protocols) with the broadest possible relevance, considering both the number and the stage of development of Member States participating in it.

Second, it is critical to ensure that discussions and future work on tax issues at the UN are as coordinated as possible with work ongoing in other international fora, avoiding inconsistencies or undermining that work, or inadvertently creating new issues or mismatches. In short: it is crucial, for the time being, to **safeguard the ability of Member States to continue implementing existing internationally agreed standards** as well as their **ability to fulfil their political strong commitments** in relation to tax topics that are already under negotiation in other international fora.

Thirdly and finally, certain concepts referred in the draft Terms of Reference require clarification, given the lack of common understanding; this is an effort to which we can contribute and benefit from during this session.

Thank you for your attention.