

**STATEMENT BY MS CHIAM YAH FANG, DEPUTY COMMISSIONER,
INLAND REVENUE AUTHORITY OF SINGAPORE AT THE SECOND
SESSION OF THE AD HOC COMMITTEE TO DRAFT TERMS OF
REFERENCE FOR A UNITED NATIONS FRAMEWORK CONVENTION
ON INTERNATIONAL TAX COOPERATION, 29 JULY 2024, UNHQ
CONFERENCE ROOM 2**

Thank you, Mr. Chair.

2 We would like to thank you, the Bureau and Secretariat for your leadership, and the work to come up with the draft Terms of Reference.

3 Singapore remains committed to the mandate of this Committee. As we enter the final stretch, we have the opportunity to create together the foundations for a robust framework convention that can advance international tax cooperation and effectively serve the needs of all jurisdictions, as well as build and strengthen trust in the process. We urge everyone to engage with an open mind and a spirit of compromise towards this common goal.

4 We reiterate our belief in creating and maintaining the conditions for sustainable and equitable growth, and ensuring that we do not inadvertently discourage enterprise and innovation. It is in our collective interest to promote more inclusive and effective international tax cooperation while ensuring a stable, coherent and predictable international tax system that will provide certainty for businesses and grow the economic pie for all.

5 Taxation is a fundamental sovereign right of all Member States. Given the interconnectedness of the global economy, international tax cooperation can only be effective and inclusive if there is collective agreement and action. This means that the concerns and views of all Member States, developed and developing, must be considered to ensure that their needs and circumstances are accounted for. We must make every effort to seek common ground and close areas of divergence. This means seeking the broadest possible consensus. A framework convention that does not garner widespread support and implementation will simply benefit no one.

6 Some difficult areas of divergence remain. A practical and effective way forward is for the Terms of Reference to include flexibility in implementation in accordance with the principle of tax sovereignty. This would allow interested Member States to participate in initiatives that they consider feasible and most suited to achieve their economic and social objectives.

7 Even as we look forward to the next phase, we have to balance ambition with the real issue of capacity constraints. Over-extending ourselves will come at the expense of inclusivity – many jurisdictions are already stretched and will struggle to keep up with the negotiating commitments. To build an enduring solution that can benefit all Member States, we would need to prioritise flexibility over precision and quality over speed.

8 Singapore is committed to playing a constructive role in the process and in building common ground. We look forward to working with all delegations towards a draft Terms of Reference that would be acceptable to all countries.

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