

Second Session of the Ad Hoc Committee to Draft Terms of Reference for a United Nations

Proposal for Zero Draft ToR for a UN Framework Convention on International Tax Cooperation

General Statement – Principality of Liechtenstein

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Speaker: Bernhard Canete

Liechtenstein would like to thank the Secretariat and the Bureau members for their work and efforts in developing the revised draft Terms of Reference, and we appreciate the opportunity to constructively contribute to this process.

First and foremost, we would like to reiterate that a global framework on tax matters with the declared objective of being inclusive and recognizing of tax sovereignty, needs consensus-based decisions. We take note, that the revised draft Terms of Reference do not reflect the unanimous view of all Bureau members. However, consensus-based decisions are the basis for a stable global tax framework.

Furthermore, we take note of the reference to the work of other relevant forums, potential synergies and existing tools, strengths and expertise at different levels. Nevertheless, it seems like this has not been properly analyzed and reflected in the proposed substantive elements of the Framework Convention or in the topics subject to early or future protocols. In our view, it is vital to consider the existing legal frameworks and solutions to a larger extent in order to avoid legal uncertainty through possible conflicting rules as well as duplication of existing work despite limited domestic resources in many member states.

Regarding the development of early protocols, we believe that it is important to focus on issues that are likely to reach consensus by member states as well as on the effective implementation of existing instruments, especially by enhancing domestic resource mobilization and capacity building. Furthermore, we believe that some of the topics mentioned for early protocols should be subject to a prior and more detailed analysis of the underlying issues and possible gaps (if any) that could be addressed. Especially since some of those topics are new ones that have never been broadly discussed among the membership. Without such detailed analysis, the parallel negotiation of early protocols together with the Framework Convention does not represent an effective approach in our view. In particular, it seems unrealistic that all member states will be in a position to cover multiple negotiation streams in parallel. Especially for member states with less resources and capacities, this might be a difficult if not impossible challenge to solve. In general, we therefore consider the short timeline of two years as not suitable for the given task.

We thank you very much for taking these considerations into account during the upcoming three weeks and are looking forward to constructive discussions.

Thank you.