

Israel's Statement – Ad Hoc Tax Committee to Draft Terms of Reference for a UN Framework Convention on International Tax Cooperation

July 29, 2024, New York

Thank you, Mr. Chair,

Israel welcomes the inclusive discussions of the Ad Hoc Committee for the United Nations Framework Convention on International Tax Cooperation. We are looking forward to a fruitful second session.

We note that we have made some progress leading up to today's meeting. However, the draft discussed today is still not a consensus document and there is more work to be done. At the outset of the discussion, we would like to highlight the importance of establishing clear rules that will allow us to progress. These rules include:

First, an agreement on the Decision-making process – It was evident during the first session of the negotiations that defining the decision-making process is crucial to many Member States. We are concerned about engaging in a process that might compromise state sovereignty and jeopardize states' right to tax. To this end, we reiterate that decision-making based on consensus is essential. Second, clarifying the legal status of protocols is essential. We advocate that all protocols should be optional, and believe that this should be clearly stated in the ToR. Once the legal status is established, we surmise that Member States would be more willing to consider early protocols and their simultaneous development.

Second, defining the boundaries of the process will determine the degree of flexibility and will help fostering creative solutions. Once the decision-making process and optionality of protocols are agreed upon, we would like to present specific comments on the details and wording of the ToR:

- **Regarding the Respect for Commitments and Other Forums:** The need to respect the commitments of countries and the work of other forums was stressed from the very beginning of the framework convention initiative and during the first round of the negotiations.
- **As for Transparency and Involvement:** We emphasise our concern and the need to respect the sovereignty of each state, ensuring transparency and involvement in all stages of discussion and development, including through a negotiating committee and decisions pertaining process.

Mr. Chair,

We look forward to a cooperative discussion in this second session and ask that the characteristics of jurisdictions will not be taken for granted throughout the process, including in the terms of reference and any compromises made. Israel will engage constructively in the upcoming session and looks forward to a consensual outcome.

Thank you.