

# **Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation**

## **Second Substantive Session**

### **Explanation of Vote – Australia, Canada and New Zealand**

*August 16, 2024*

I have the honour to deliver this statement on behalf of Australia, New Zealand and my own country, Canada.

Our delegations have been actively engaged and negotiating in good faith for the development of terms of reference for a framework convention on international tax cooperation.

As has been expressed by many delegates, inclusive international tax cooperation is a priority. The terms of reference set high ambitions for the proposed framework convention. We aim to make international tax cooperation fully inclusive and effective. It is a goal that we share. Critical to this is a transparent, inclusive and effective process for genuine dialogue to ensure substantive discussions.

We are disappointed that the outcome of this session has necessitated a vote. Despite having repeatedly raised our concerns at this session and in prior sessions, and despite having presented constructive compromises and reasonable solutions, we are disappointed that most of our concerns, both in respect to substance and modalities, remain largely unaddressed.

Our delegations have persistently highlighted the concerns we have about the process, which unfortunately resulted in a platform that was not able to facilitate informed nor open dialogue.

Countries, when participating in the negotiations, must have the confidence that there will be a balanced weighing of interests. This is necessary to ensure that the maximum number of countries will ultimately decide to join the convention. This should be a key objective when developing a framework that is intended to coordinate the actions of multiple countries.

Our countries, and many others, supported recognizing in the terms of reference that we should be striving for consensus in order to reach the broadest possible participation and implementation of the convention. While consensus may not always be possible, we believe a better outcome will be achieved if we commit to reaching a more inclusive goal.

We and many others have called for recognition that the new framework convention will need to appropriately take into consideration existing work and fora so as to maximize synergies and complementarities while minimizing redundancies and disruptions. This is

a matter of efficiency and effectiveness of action. The new framework needs to build on the existing international tax architecture, focusing on addressing gaps and deficiencies in a pragmatic and targeted manner, and the negotiations need to be informed by comprehensive analysis of the gaps of the existing framework.

We are concerned about the timelines that are being set for the simultaneous negotiation of the convention and protocols, and the significant resources that countries will need to dedicate to the negotiations. We recognize that achieving the 2030 Sustainable Development Goals requires prompt action to support greater domestic resource mobilization. This, however, does not make the challenges we face in international tax cooperation any less complex or easier to solve.

Last, but not least, as work continues on international tax cooperation in the United Nations, we would like to recognise the importance of human rights, and ensuring transparent and expansive civil society and stakeholder inclusion in UN meetings and processes.

We were concerned by the arguments made over the course of the negotiations to not include human rights in the terms of reference. We are pleased that the terms of reference now recognize the need for international tax cooperation efforts to be aligned with international human rights law. This is a principle that our delegations strongly support and we appreciate the support of other colleagues and highlight that, while referenced, the human rights language remains below the standard and we encourage delegations to look for ways to strengthen this language throughout the process.

Also critical as we pursue our work in the UN is the participation of international organizations, civil society and other relevant stakeholders. Our delegations have consistently advocated for this from our written inputs to our interventions in the room and will continue to do so. We are pleased that the terms of reference support this engagement. We will pursue efforts on this front to ensure transparency and accountability for the effective participation of all relevant stakeholders, including civil society, as the work continues in the UN on international tax cooperation. Australia, Canada and New Zealand will continue to press for negotiations that are truly inclusive, transparent and fair, and we encourage all parties to do so. We will only be successful if we work together in partnership, listen to each other and make a genuine effort to strive towards consensus. We need to get things right, from a policy standpoint, from a legal standpoint, from an economic standpoint, from an implementation standpoint. We should strive for a framework that will be up to the task so that we achieve the certainty, stability, and inclusivity that we all aim for in international tax cooperation.

Thank you. I would request that our explanation be included in the report for this session.