

Statement (explanation of vote) on behalf of the European Union and its Member States at the closing of the second substantive session of the Ad-hoc Committee negotiating draft Terms of Reference on a UN Framework Convention on International Tax Cooperation.

I have the honour to speak on behalf of the EU and its Member States. The Candidate Countries North Macedonia*, Montenegro*, Albania*, Ukraine, the Republic of Moldova, Bosnia and Herzegovina* and Georgia align themselves with this statement.

We would like to thank to the Chair and the Secretariat for their efforts throughout these proceedings. We also extend our gratitude to all negotiating partners for the fruitful dialogue and active engagement.

The European Union and its Member States approached these negotiations in an open and constructive spirit, fully committed to facilitating an inclusive, efficient and effective process at the UN level in international tax cooperation. Our overarching aim is to promote the stability, certainty and coherence of the international tax architecture.

Over the past three weeks, we have found these discussions extremely valuable, not only for advancing the text of the Terms of reference but also for deepening our understanding of the diverse interests and concerns of other UN Member States. This process provided us with opportunities to seek common ground while addressing differing needs and perspectives.

Given that the committee's objective is to lay foundations for negotiations on a truly global tax framework convention, we believe that inclusiveness and transparency are essential cornerstone of this endeavour. Regrettably, we believe that the proceedings of this committee have not fully achieved the levels of transparency and common understanding necessary for open and effective negotiations in view of achieving consensus.

We recognise the progress that has been achieved. However, we regret that the final draft Terms of Reference text does not adequately reflect our key points of concern, despite our constructive approach and sincere readiness to compromise. While we entered these discussions with an open and a collaborative spirit, the outcome fails, regrettably to address critical concerns that we have raised consistently and repeatedly, in particular as regards the need for broad consensus support in order to ensure the inclusivity and effectiveness of a Framework Convention. To function effectively and sustainably, we also need to ensure that the Framework Convention takes account of work on international tax cooperation that continues in other fora.

* North Macedonia, Montenegro, Serbia, Albania and Bosnia and Herzegovina continue to be part of the Stabilisation and Association Process.

We welcome that language on the imperative of promoting human rights has been included in the text.

Having engaged in good faith negotiations up until the very end of this session, our group has tabled a number of amendments on critical elements we feel are still lacking, regrettably, from the draft Terms of Reference. This includes on the high-level nature of the commitments to be included in the draft Terms of Reference, on safeguards for taxpayers – protecting for example their right to be heard and to good administration – and on protocols, where we believe further careful consideration is merited of the substantive areas to be addressed.

As a result, our group has decided to abstain on the Terms of reference. This decision also illustrates our common position of constructive engagement and cooperation at the United Nations.

We remain committed to engaging constructively in the following work towards developing the Framework Convention and its protocols. We believe there is a strong opportunity to jointly deliver on a Framework Convention and related protocols that ensures the broadest possible support, coverage and effective implementation.

I thank you.