

## **Explanation of Vote**

### **on the Chair's Proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation**

Mr. Chair,

Liechtenstein would like to thank you and the Secretariat as well as Bureau members for the continuous work and efforts in developing the Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation.

As we have consistently pointed out in this process, a global framework on tax matters with the declared objective of being inclusive and recognizing tax sovereignty, needs consensus-based decisions. As this is the basis for a stable global tax framework, we regret that this guiding principle has not been reflected in the Draft Terms of Reference. Likewise, a truly inclusive and transparent process would require to provide for proper guidance on decision-making processes, which has also not been included in the Draft Terms of Reference.

Moreover, we once again emphasize that efforts to strengthen international tax cooperation should build on existing initiatives of other relevant fora, which have already delivered tangible results rather than creating duplicative processes. This requires a thorough analysis of the current global taxation architecture, potential issues and gaps before determining the subjects to be addressed by Early Protocols. In this regard, we want to stress that such thorough analysis needs adequate time, which is currently not provided for under the Draft Terms of Reference. We are furthermore convinced that some principles, commitments, and protocol decisions should allow more flexibility for the Member State-led intergovernmental negotiating committee to make the final determinations.

Overall, we regret that the Chair's Proposal of Draft Terms of Reference does not consider the legitimate and constructive concerns expressed by many Member States, and as a consequence, the outcome of this process risks being neither inclusive nor effective. We are therefore not in a position to support the Chair's Proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation.

I thank you.