



Committee of Experts on International Cooperation in Tax Matters

Twenty-Ninth Session, 15-18 October 2024

United Nations Model Double Taxation Agreement between Developed and Developing Countries

Co-Coordinators' Report: E/C.18/2024/CRP.28

Work Program

- STTR – completed
- Software -- completed
- For approval at this meeting
 - Article 8
 - Cross-border insurance
 - Natural resources
- Technical issues under Article 6 to be discussed at this meeting
- Continuing work
 - Consequential changes to the Model and Commentaries
 - Identifying possible issues for next Membership (i.e., Article 21)

Proposal for Revisions to Article 8: E/C.18/2024/CRP.29

- First discussion of this topic was at the Twenty-sixth Session; this proposal is for ***discussion*** and ***approval***.
- Retains two alternatives – one providing exclusive residence State taxation and one allowing source State taxation – but reverses the order, so that the source State provision would become Alternative A.
- The provision allowing source State taxation would apply to international air traffic as well as shipping, with a robust minority position in the Commentary.

The Treatment of Income from Cross-Border Insurance Activities: E/C.18/2024/CRP.32

- Proposal is to introduce a new Article 12C allowing source State taxation of insurance premiums similar to Article 12A and 12B and to delete paragraph 6 of Article 5 because of the difficulty in taxing net profits of insurance companies.
- Changes have been made to respond to comments on the definition of insurance premiums and the application of the beneficial ownership.
- Paper is for ***discussion*** and ***approval***.

The treatment of income arising from extractives and other natural resources: E/C.18/2024/CRP.31

- For ***discussion*** and ***approval***.
- Proposes a new Article 5A and draft Commentary that would establish lower thresholds for source State taxation with respect to certain activities in connection with natural resources.
- The Subcommittee made relatively minor changes in response to comments at the Twenty-eighth Session and improved its technical drafting.

Technical issues arising under Article 6: E/C.18/2024/CRP.30

- For ***first discussion***.
- Addresses two technical issues.
- With respect to the definition, would provide that the source State's domestic definition will apply (the current rule) *unless the context otherwise requires* (the proposed addition).
- With respect to the allocation rule, proposed addition to the Commentary makes it clear that taxation in the situs State is not exclusive; the residence State retains the right to tax.



Thank you

For more information, please contact the
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