

**Chair’s introductory remarks on the “zero draft ToR”
Second Session of the Ad Hoc Committee to Draft Terms of Reference for a United Nations
Framework Convention on International Tax Cooperation**

New York, 30 July 2024

Back in February, the Committee considered the organizational and substantive preparation of its work.

At its First Session, held in New York from 26 April to 8 May 2024, the Committee scoped out the substantive content of the draft terms of reference (ToR). We focused especially on specific challenges and opportunities that could be addressed through the “framework-protocol” approach.

Following the First Session, the twenty-member Bureau of the Committee put all their efforts to prepare a “zero draft” ToR. The Bureau engaged in lively discussions, and Members provided further written inputs that substantially contributed to shaping the zero draft ToR that was released for comments on 7 June.

With great appreciation for the work of the Bureau, and of all Member States and stakeholders for their inputs, I presented yesterday the Bureau’s proposal for the revised draft ToR, dated 18 July. It represents the Bureau’s best efforts to achieve consensus on the draft text, yet it does not necessarily represent the unanimous views of all Bureau Members.

The draft ToR aspires to set out the parameters and mechanisms that shape the negotiation of a UN framework convention that is capable of making international tax cooperation fully inclusive and more effective, without unduly limiting flexibility. It seeks to deliver on the mandate the General Assembly entrusted to the Committee in Resolution 78/230.

The draft ToR are organized along the usual structure of framework conventions. Yet, they are not meant to address every aspect, let alone to provide details better left to a negotiating body of the convention itself.

In responding to the GA mandate, the draft ToR focus on various aspects and are divided into several sections, as follows.

The preambular section establishes the political context for the convention’s objectives and commitments by linking it to Resolutions 78/230, 77/244 and 69/313.

The objectives section provides a tripartite statement of the framework convention’s general purpose, which is establishing: (i) fully inclusive and effective international tax cooperation, (ii) a governance structure, and, ultimately, (iii) an inclusive, fair, transparent efficient, equitable, and effective international tax system for sustainable development.

The section dedicated to the principles sets the principles that would guide the drafting and implementation of the framework convention in order to achieve its objectives.

The section on substantive commitments of the framework convention lays out the substantive areas of international tax cooperation on which the framework convention should include obligations.

The capacity building section calls for the inclusive and effective participation of all countries in norm-setting processes and the design of provisions related to capacity building efforts at country level to implement the convention.

The structural elements section lists the standard additional substantive and procedural elements that the framework convention should incorporate.

The specific priority areas for early protocols section provides a list of five such areas that emerged from discussions during the First Session. This is an area where possibilities for agreement need to be further explored.

The section dedicated to the approaches and timeframe for negotiations outlines the Member-State led process and such issues as the overall timeframe for the negotiations, approach to the negotiations of early protocols, composition of the bureau, and consideration of the work of other forums.

There is a final section on securing adequate resources to support the work of the negotiating body and encouraging extrabudgetary resources to assist in ensuring the participation of developing countries in the process.

In this Second Session, this Committee will work with this revised draft ToR as our starting point toward finding agreement on the final text of the draft ToR, to be submitted to the General Assembly for its consideration during its seventy-ninth session.

Let me close this introduction with a brief recap of our organization of work for the session.

During this first week, we will have an issue-based discussion on each of the sections of the draft ToR. The conclusions from the discussions during the first week could be reflected in a revised version of the draft ToR, which would be the basis for the Committee's work in Week 2.

During week 2, the Committee will enter into a section-by-section reading of the draft TOR, with a view to agree *ad referendum* as many paragraphs/sections as possible.

The programme for Week 3 will be flexible enough to accommodate the progress of work in the Committee and, if needed, used to reach agreement on any sections that could not be agreed *ad ref* during Week 2.

Then the Committee would consider and adopt the final draft text of the ToR and the draft procedural report on the Second Session.

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