

(Japan's Comment for General Statemen on INC on international tax)

Thank you, Mr. Chair.

Japan welcomes this occasion and congratulates you on your election as Chair. We also extend our congratulations to the Bureau members.

At the outset of this session, we would like to share our fundamental views on organizational matters and the second topic of the early protocol.

The mission of this committee is to achieve inclusive and effective international tax cooperation by drafting a Framework Convention. This is an unprecedented challenge for all of us, as it is the first-ever attempt to formulate a multilateral tax convention in the history of the UN. To ensure successful negotiations, this committee should seek the best solutions with a flexible mindset regardless of the precedents of the UN.

The decision-making procedure will be a key issue in this session. Japan believes that consensus-based decision-making — as seen in other international tax agreements — is essential to maximize participation in the Framework Convention. There is no reason why this committee cannot seek consensus through its own decision-making rules. Japan firmly believes that this point is fundamental; mutual understanding enables us to delve deeper into substantial issues. Therefore, the decision-making rules of this committee must contribute to consensus building.

The negotiation process of the Framework Convention should also be genuinely inclusive. During the negotiations, it is important to give non-state jurisdictions opportunity to make their voices heard in this committee, given their tax autonomy.

We believe that consensus-based decision-making and the inclusion of non-state jurisdictions are essential to make the new Framework Convention truly inclusive and effective.

Regarding the second early protocol topic, its selection will depend on the decision-making rules and the scope of the topics. In this regards, the current list of topics should be elaborated to provide further clarity on their scope. Japan believes, as GA resolution 78/230 emphasizes, that the new Framework Convention should leverage existing strengths and address gaps and weakness in current international tax cooperation efforts and arrangements with full consideration of existing multilateral and international arrangements. Building on this understanding, we expect that the upcoming discussion will clarify the scope before deciding the subject of the second early protocol.

Thank you.