

The Chairman

Intergovernmental Committee to draft a United Nations Framework Convention on International Tax Cooperation
United Nations Headquarters,
New York, USA

The Co-lead

Workstream I: Development of the draft text of the UN Framework Convention on International Tax Cooperation

Re: Written inputs from the AG on the Issues Note produced by Workstream I

The Africa Group (AG) appreciates the contributions made by the Co-lead, the Secretariat and UN Member States in the development of the Note and wishes to submit the following comments on behalf of our members.

Abstract

1. The Framework Convention serves as the foundation for the development of protocols and therefore should be general enough to provide the latitude required to deliver relevant topics for consideration.
2. The Framework Convention should therefore deliver as provided for in the Terms of Reference an inclusive, fair, transparent, efficient, equitable and effective international tax system for sustainable development, with a view to enhancing the legitimacy, certainty, resilience and fairness of international tax rules, while addressing challenges to strengthening domestic resource mobilization
3. The AG further envisages that the Convention will spell out clear international tax governance rules that will inure to the benefit of all participating States
4. The AG recommends that space should be allocated during the August sessions to consider paragraph 13 of the ToR.
5. The AG advocates that taxation of extractives be considered as an additional commitment

General Comments

1. Commitments: The AG advocates that the commitments provided in paragraph 10 of the Terms of Reference are not exhaustive enough and therefore should be expanded to cater for other pertinent subject areas. Taxation of extractives among others should be considered as an additional commitment.
2. Scope: The AG proposes that a day should be allocated in the August 2025 sessions for initial discussion of paragraph 13 'Other elements'
3. Prioritization: the AG proposes that the development of the structural and governance elements of the Convention like the Conference parties, the Secretariat and Subsidiary bodies be prioritized alongside the elaboration of the commitments. This is owing to the

critical importance of this aspect to any given framework convention and the need to have sufficient time to fully elaborate on the same.

Specific Comments

- 1. The Committee is invited to discuss the issue of effective prevention and resolution of tax disputes and, in particular, whether:**

- a) the commitments described in paragraph 9 effectively would address the concerns that have been expressed in the workstream with respect to effective prevention and resolution of tax disputes;**

Response: The commitment should be broad enough to allow flexibility and adaptability as envisaged by the ToR. The concerns should rather be addressed in the protocol

- b) the commitments described in paragraph 9 would provide sufficient support for the early protocol being developed in Workstream III;**

Response: The description should stress the need for international tax cooperation and rules for dispute prevention and resolution and not the strengthening of domestic systems.

- c) there are additional concerns regarding effective prevention and resolution of tax disputes that should be addressed in that article of the Framework Convention**

Response: A broad statement that is neither descriptive nor prescriptive should be adequate.

- 2. The Committee is invited to discuss the issue of fair allocation of taxing rights and, in particular, whether:**

- a) the elements included in paragraph 14 provide a useful outline of a commitment on this topic;**

Response: We do not support any effort to define “fairness” or any other term within the commitment section of the Convention. The effort should be focused on drafting a commitment language that captures the essence of paragraphs 7(c) and 10(b) of the ToR. The meaning of terms used thereof will be shaped by the content and context of any given substantive tax rules when elaborated in the early or future protocols.

- b) there are additional concerns regarding the fair allocation of taxing rights that should be addressed in that article of the Framework Convention.**

Response: the rendition in paragraph 7(c) of the ToR should suffice.

- 3. The Committee is invited to discuss the issue of international tax cooperation approaches that contribute to sustainable development and, in particular, whether there are additional aspects of international tax cooperation approaches that contribute to sustainable development that should be addressed in additional paragraphs of that article of the Framework Convention.**

Response: The proposal is broad enough to provide a basis for relevant protocols when the need arises

The AG once again appreciates all the efforts that have gone into the development of this Issues Note and restates its commitment to contribute to the discussions across all three Workstreams.