

Comments by Austria

on the Issues Notes for Workstreams I-III dated 27 June 2025

21 July 2025

Abstract

Austria has been engaged in all three Workstreams which have created space for sharing ideas and addressing concerns but which could have been more productive if they had been based on more in-depth research and analysis of the different issues. Austria remains willing to engage constructively in the negotiations and would like to point out that agreement by consensus to achieve broad participation in the Framework Convention is of utmost importance.

Regarding the **Framework Convention**, it is Austria's view that it should only include high-level commitments, using broad and principle-based language without detailed elaboration. Furthermore, more focus should be put on "constitutive elements" of the Framework Convention, particularly on the objectives and principles as well as the required institutional elements. The interaction between the Framework Convention and the Protocols should be discussed by the Workstream in more depth as soon as possible.

With respect to the protocol on "**Taxation of cross-border services**", Austria would like to emphasise the need to consider existing work already undertaken in other international fora.

Finally, from an Austrian point of view, **effective prevention and resolution of tax disputes** is very important to achieve legal certainty and consequently to increase cross-border trade and investment. Therefore, Austria is open to explore different solutions and approaches as presented in the issues note on Workstream III with a focus on cross-border tax disputes but at the same time fully appreciating the existing legal frameworks in that area.

Austria would like to thank the Co-Chairs of the Workstreams for preparing the Issues Notes based on the discussions during the workstream meetings drawing from the relevant paragraphs in the ToR.

In **general**, we think that the discussions in each workstream have created a forum for sharing ideas and expertise and, at the same time, leaving room for expressing perspectives and concerns. Nonetheless, we consider that more in-depth analyses would have been necessary to enable the issues notes to provide a more balanced overview of the issues which are to be addressed in the Framework Convention and two early Protocols. In this way, one could have encouraged more meaningful engagement among the participating Member States. That being said, Austria remains willing to engage constructively in the negotiations. However, we would also like to underline once more that our objective should be to reach agreement by consensus and hence to achieve broad participation in the Framework Convention and, if possible, two early Protocols. The realization of the goal of the “promotion of inclusive and effective international tax cooperation” (title of A/RES79/235) by establishing an “overall system of international tax governance” (A/78/235, para. 55) is contingent upon its broad acceptance and participation among Member States. Moreover, it is of utmost importance to maximise synergies with existing international standards and fora with a view to avoiding any duplications of efforts and to working resource efficiently.

We take note of the wide range of views expressed by other stakeholders, including civil society and regional organizations. Austria reiterates the need to ensure that the Framework Convention aligns with existing international frameworks and reflects the practical realities of tax administration across jurisdictions, particularly to avoid duplication and fragmentation of existing standards. Furthermore, we acknowledge the suggestions by other stakeholders to pursue a more extensive or transformative approach. Austria remains convinced that an incremental, consensus-based framework focused on feasibility and complementarity will more likely secure broad adherence and long-term viability.

From a **procedural point of view**, considering our engagement in the negotiations so far, we would like to voice our concern about the dense meeting schedule and the distribution of documents before the workstreams’ meetings. We would like to point out that the documents were frequently sent out very close to the meetings or deadlines, making it impossible to properly prepare the in-depth discussions on the various topics. Furthermore, meetings frequently were scheduled at very short notice making it difficult to allocate adequate resources to join meetings. Going forward in the workstreams, we encourage the Co-Chairs and the Secretariat to allow for more foresightful planning and time to reflect on important milestones of the negotiations to ensure that we can cooperate effectively and inclusively.

Please find our further **comments on the specific Issues Notes** below.

Regarding the development of the **Framework Convention**, we think that all **commitments** should be high-level and not self-executing. Furthermore, since the General Assembly has put forward a very tight timeframe for the negotiations, we do not think that it is realistic to consider commitments on additional subjects. The focus of the Workstream I discussions should be on what is already included in the Terms of Reference and not go beyond it in order to make use of the allocated time most efficiently.

The discussions in Workstream I focussed mainly on the commitments to be included in the Framework Convention. From our point of view this is problematic because there is a lack of understanding among delegates about the **bigger picture of what the Framework Convention should look like**. According to the Report of the Secretary General (A/78/235), the Framework Convention would be a multilateral instrument, “constitutive” in nature, in that it would “*establish an overall system of international tax governance*”. It would therefore “*outline the core tenets of future international tax cooperation, including the objectives, key principles governing the cooperation and the governance structure of the cooperation framework*.” Protocols could then “*provide additional, regulatory aspects with more detailed commitments on particular topics*” (including the ability for countries to opt-in and opt-out). In our opinion, the first step of designing the Framework Convention should consequently be to focus on these “constitutive elements” of the Framework Convention, particularly on the objectives and principles as well as the required institutional elements. The commitments would flow from there.

An informed discussion on an overall system of international tax governance may only take place if the **interaction between the Framework Convention and the (early) Protocols** as well as between the Protocols among themselves is being investigated adequately. In the issues note on Workstream I (at para. 5) it is assumed that a protocol is based on one specific commitment. However, we think that such a specific link is neither necessary nor practical since any protocol could be anchored more loosely to several commitments. Moreover, it would be our understanding that the commitments included in the Framework Convention could also be addressed through other (existing) mechanisms than through Protocols to the Framework Convention. E.g., effective mutual administrative assistance in tax matters could be pursued based on the Convention on Mutual Administrative Assistance in Tax Matters.

The discussions in Workstream II “**Taxation of cross-border services**” dealt with “traditional” services as well as digitalized services. We would like to emphasise the need to consider existing work already undertaken in other international fora.

From an Austrian point of view, **effective prevention and resolution of tax disputes** is very important to achieve legal certainty and consequently to increase cross-border trade and investment. Therefore, Austria is open to explore different solutions and approaches as presented in the issues note on Workstream III with a focus on cross-border tax disputes. However, we would like to point out that different mechanisms require different approaches. Not all the mechanisms listed in the issues note would require legally binding instruments (such as a protocol) but could also be addressed through other mechanisms. Furthermore, it is important to fully appreciate the existing legal frameworks in that area and, if possible, build on them. Finally, we would like to voice our concern over the idea of using the Early Protocol to provide a legal basis for resolving cross-border tax disputes for cases where the domestic law of each country is sufficiently similar (para. 26 of the issues note on Workstream III). In our opinion, this would be problematic from a legal and constitutional point of view.