

Secretariat of the Ad Hoc Committee
UN Framework Convention on International Tax Cooperation,
United Nations Headquarters, New York
Via Email: inc-tax@un.org

11 July 2025

Re: Workstream III (Protocol on Dispute Avoidance and Resolution) Comment Letter to the UN Ad Hoc
Committee Drafting the International Tax Cooperation Convention

Dear Chair and Distinguished Members of the Ad Hoc Committee:

We appreciate the opportunity to provide input on the development of Workstream III of the UN Framework Convention on International Tax Cooperation. We applaud the Intergovernmental Negotiating Committee's inclusion of academic researchers as stakeholders to attend the sessions. We are academic researchers in international tax policy, and we write to offer independent business-aligned perspectives on all three workstreams, separately as requested, under negotiation. Our comments and recommendations are submitted in our personal capacity and do not represent an official statement or position of Texas A&M University or our respective employers.

Regarding Workstream III – Protocol on Dispute Avoidance and Resolution. We advocate strongly for predictable and binding dispute resolution mechanisms to give businesses confidence that tax disputes will not result in unresolved double taxation. The Convention should mandate a robust Mutual Agreement Procedure (MAP) between competent authorities, with clear timelines, and provide for mandatory binding arbitration if disputes remain unresolved after a specified period. A binding arbitration clause – analogous to those in many bilateral tax treaties and the BEPS Multilateral Instrument – would guarantee that even politically sensitive cases are resolved, thereby ensuring certainty for taxpayers.

We acknowledge that some countries have concerns about arbitration; however, the status quo of protracted, unresolved disputes is untenable. Importantly, the Workstream III discussions have noted concerns about the fairness and inclusiveness of arbitration as practiced in some investment treaties. The UN Convention can address this by designing an arbitration process that is both balanced and accessible (e.g., by drawing arbitrators from both developed and developing countries, and by offering options for regional arbitration centers), while still being binding. Additionally, the dispute prevention aspect of this workstream should encourage advance rulings, joint audits, and information exchange, helping resolve issues before they escalate into disputes. Overall, a multilateral tax dispute resolution protocol will greatly enhance tax certainty and fairness for global investors.

Thank you for considering our comments and recommendations. We are hopeful that the Ad Hoc Committee will integrate our business-aligned views as it drafts the Convention and protocols. We strongly support the UN's efforts to promote inclusive and effective tax cooperation, and we remain at your disposal for any further input or clarification that may assist the Committee. We welcome the opportunity for a representative from our cohort to participate and provide input at the forthcoming first session consultation, scheduled for 4–8 August 2025.

Sincerely,

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