

Colombia's Comments
Workstream III - Issues Note 27 June 2025
Intergovernmental Negotiating Committee

Colombia supports the promotion of dispute prevention and resolution mechanisms that are reachable and feasible for developing jurisdictions, while ensuring fairness for both taxpayers and tax authorities. Colombia appreciates the workstream III draft outline of the issues note and thanks the Secretariat for addressing the issues raised by the WS delegates.

We kindly submit the following comments:

General Comments

We consider it is essential that dispute prevention and resolution mechanisms are inclusive and viable for developing countries, avoiding disproportionate impositions of mandatory arbitration.

Colombia considers the inclusion of a specific Protocol on the prevention and resolution of tax disputes to be highly valuable. Currently, many international tax disputes lack effective resolution mechanisms. Therefore, this early Protocol could provide multilateral effective solutions to address disputes not covered by bilateral tax treaties.

Colombia recognizes that differences between developed and developing countries in terms of capacity building, legal frameworks, and interests must not be overlooked. Ignoring these differences could compromise the fairness of the outcomes and diminish the effectiveness of the Protocol for the countries that need these mechanisms the most.

We advocate that the discussions on scope of the second early Protocol should be limited to the prevention and resolution of disputes involving more than one jurisdiction. Introducing unilateral prevention mechanisms could lead to further disputes, undermining tax certainty for local taxpayers.

Specific Comments

On paragraph 7: We appreciate the additional context provided on the importance and necessity of developing a protocol that addresses these identified issues. This is a valuable addition, as it establishes a foundation for a shared understanding among the parties of the problems the protocol aims to resolve.

On paragraph 13: We suggest more clarity regarding the intended scope of the commitment set out in the Terms of Reference (ToR), as it appears that it could potentially encompass also domestic tax issues. From our perspective and considering the nature of both the Protocol and the Convention, domestic tax disputes should not be covered under from the dispute mechanism.

On paragraph 25: Regarding the possibility of mediation, we would be interested in hearing the experiences of other countries that have use this mechanism in order to evaluate its positive or negative effects in the solution of tax disputes.
