

**Intergovernmental Negotiating Committee on the
UN Framework Convention on International Tax Cooperation
Workstream III
Co-Leads' Issues Note**

Czechia's Written Comments

Abstract

Czechia appreciates the opportunity to provide written input on the Issues Note prepared by the Co-leads of Workstream III and expresses gratitude for their efforts. Reiterating its position from Workstream I, Czechia emphasizes its reliance on a network of bilateral tax treaties aligned with the OECD Model Tax Convention, favoring dispute resolution through mutual agreement procedures under Article 25. As Czechia has no treaties incorporating arbitration, it advocates for any arbitration provisions in the Framework Convention to be strictly opt-in. Additionally, Czechia is already bound by EU-level mechanisms for tax dispute resolution, including Directive 2017/1852 and the EU Arbitration Convention. Consequently, Czechia sees no need for additional instruments and supports a commitment text that ensures no obligation to sign Protocol II.

General comments

Czechia welcomes the opportunity to comment in writing on the Issues Note of the Workstream III's Co-leads. We would like to thank the Co-leads and Secretariat for their work, effort, and preparation of the documents.

As we stated in our comments to Workstream I, in relation to the income taxes, Czechia has a network of bilateral tax treaties on the level of international law. Our double tax treaties usually follow the OECD Model Tax Convention and, therefore, our preferred way to resolve disputes is by the mutual agreement procedure according to Article 25 of the OECD Model Tax Convention. We do not have any bilateral tax treaty with arbitration and we think that any commitment should respect this and, if ultimately signing parties wish to do so, any provision with arbitration should be based solely on an opt-in basis. On the level of EU law, Czechia is bound by (i) the Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union and (ii) the EU Arbitration Convention.

Hence, despite being sympathetic to needs of other, especially developing, Member States, Czechia currently does not need to add any new instrument to its portfolio to deal with dispute prevention and resolution. Therefore, we prefer a wording of the commitment that would ascertain that no party to the Framework Convention is obliged to sign the Protocol II.