

Federal Republic of Germany

Submission to the United Nations Intergovernmental Negotiating
Committee

on the Framework Convention on International Tax Cooperation
(UNFCITC)

Workstream I

Co-Leads' Draft Issues Note

I. Abstract

Germany welcomes the opportunity to provide written input on the Co-Leads' Draft Issues Note for Workstream I of the UN Framework Convention on International Tax Cooperation (UNFCITC). We support the development of a coherent and inclusive framework that reinforces fairness, transparency, and efficiency in international taxation.

We welcome the approach to promoting legal certainty, enhancing equitable allocation of taxing rights, and advancing sustainable development objectives. These elements can strengthen global tax cooperation and contribute meaningfully to domestic resource mobilization.

We reiterate the importance of early discussions on governance structures, as outlined in paragraph 13 of the Terms of Reference. An inclusive, transparent, and functionally efficient governance framework, synergistic with existing institutions, will be critical for the legitimacy and effectiveness of the Convention as well as international tax cooperation.

Germany strongly supports enhanced coordination across all three workstreams to ensure coherence, prevent overlap, and avoid administrative complexity. We remain committed to a constructive, technically informed, and inclusive negotiation process, grounded in mutual respect and common purpose.

II. Input on Proposed Commitments in Section III of the Draft Issues Note

1. Effective Prevention and Resolution of Tax Disputes

Germany supports the proposed commitment outlined in paragraph 9 of the Draft Issues Note. We agree it addresses core concerns around legal certainty, administrative burden, and timely resolution. Ensuring that mechanisms are fair, accessible, and independent is essential for both taxpayers and administrations.

2. Fair Allocation of Taxing Rights, Including Equitable Taxation of Multinational Enterprises

Germany acknowledges the diverging views on fairness in international taxation and considers the approach described in paragraph 14 as a constructive starting point.

Emphasizing economic substance, value creation, and administrative simplicity aligns with principles Germany supports.

3. Sustainable Development

Germany endorses the inclusion of a commitment to align international tax cooperation with sustainable development objectives, as reflected in paragraph 17. The language drawn from the Terms of Reference is well established within the UN framework. In this context, we would like to highlight the results set out in the FFD4 Outcome Document, including progressive taxation, inequalities, the effective taxation of high-net-worth individuals (HNWI), environment, gender, and human rights. These results provide a solid basis for designing further commitments related to these issues.

III. Additional Considerations

Germany emphasizes the necessity of beginning negotiations on governance structures without delay, in line with paragraph 13 of the Terms of Reference. We advocate for a governance model that is:

- Inclusive and transparent in decision-making processes;
- Efficient and responsive in operations;
- Synergistic with the mandates and technical work of existing bodies, such as the OECD, Inclusive Framework on BEPS and regional tax platforms.

We strongly encourage cross-workstream coordination to avoid fragmentation and duplicative efforts, particularly where thematic overlaps exist.

IV. Conclusion

Germany reaffirms its commitment to an inclusive and coherent international tax cooperation framework. We will continue to contribute constructively to the negotiation process, aiming for outcomes that are legitimate, balanced, and sustainable for all countries.