

COMMENTS
OF THE RUSSIAN FEDERATION ON THE CO-LEADS' DRAFT ISSUES NOTE (27 JUNE 2025) INTERGOVERNMENTAL NEGOTIATING COMMITTEE ON THE UN FRAMEWORK CONVENTION ON INTERNATIONAL TAX COOPERATION

WORKSTREAM III: PREVENTION AND RESOLUTION OF TAX DISPUTES

The Russian Federation reiterates its gratitude to the Co-leads, the Secretariat, and colleagues in the Workstream III for the engaged and insightful discussions and would like to provide with the following comments.

Abstract

The Russian Federation supports the focus of Workstream III on outlining of the issues that may be addressed in a Protocol on the “prevention and resolution of tax disputes”.

Russia proposes to focus on:

1. The mechanism in providing of tax certainty such as multilateral co-operative risk assessment and assurance process.
2. Simple and transparent approach to administer the MNE: the principle of the "one-stop-shop" for registration and reporting (possibly a portal solution), simultaneous access to the reporting of MNEs (data transmission system used in automatic exchange of information or its analogue).

General Comments

1. Mechanisms aimed at preventing/ resolving tax disputes (Para 8):

Russia suggests that more flexible and timely mechanism in providing of tax certainty could be also employed. It could include multilateral co-operative risk assessment and assurance process engaging MNE and tax administrations of the countries where MNE operates. The assessment and assurance could be made in-desk based on the documentation review, including the MNE group's Country-by-Country report (for example such as ICAP project in OECD).

2. Digital Solutions (Para 12)

Another priority both for us and for other tax administrations is to decide how to administer the dispute resolution reform and what business processes will maintain it on the internal and external circuits.

Tax administrations are tending to see MNE as a virtually new type of a taxpayer for international taxation, which can include hundreds of legal entities in dozens of countries.

We have to ensure a centralized and unified approach to the administration of such taxpayers when interacting with other tax administrations. This should include maximum simplicity and transparency: the principle of the "one-stop-shop" for registration and reporting (possibly a portal solution), simultaneous access to the reporting of MNEs (data transmission system used in automatic exchange of information or its analogue).

3. Composition of panels (Para 24)

Russia emphasizes that it is vital to ensure equal, non-discriminatory engagement of experts from financial and tax authorities from all the countries where MNE operates as a legal requirement for composition of panels.