

Contribuições de São Tomé e Príncipe

Ref:INC Tax_WS I issues note_27 June

Convenção-Quadro das Nações Unidas sobre Cooperação Internacional em Matéria Fiscal

Submission: Suggested Text for Commitments and Comments

Date: [20/07/2025]

I. Commitment on Effective Prevention and Resolution of Tax Disputes

Proposed Text:

The Parties commit to establishing and strengthening mechanisms for the prevention and resolution of tax disputes that are fair, independent, accessible, and effective in resolving disputes in a timely manner, with particular attention to the needs and capacities of developing countries. These mechanisms shall ensure adequate technical and legal support for tax administrations with limited resources.

Comment:

São Tomé and Príncipe emphasizes that multilateral dispute resolution mechanisms must be practically applicable for administrations with limited technical capacities. Including an explicit reference to the proportionality of the mechanisms and international technical support is essential to ensure these instruments are effective for countries with limited or no treaty networks.

II. Commitment on Fair Allocation of Taxing Rights

Proposed Text:

The Parties recognize that a fair allocation of taxing rights should reflect the presence of significant economic activity, including activities carried out through digital means, ensuring that all States in which such activity occurs have a right to a proportional share of the tax revenue.

Comment:

São Tomé and Príncipe notes that the digital economy allows for significant revenue generation without physical presence. Therefore, it is proposed that the concept of 'significant digital presence' be recognized as a legitimate basis for taxation. This measure is crucial to protect the tax base of developing countries and ensure a fairer distribution of global tax revenue.

III. Commitment on Tax Cooperation for Sustainable Development

Proposed Text:

The Parties commit to promoting approaches to international tax cooperation that contribute to achieving the Sustainable Development Goals, enhancing States' capacity to mobilize domestic resources, balancing the economic, social, and environmental pillars of development, with special focus on the needs of developing and small-sized countries.

Comment:

São Tomé and Príncipe strongly supports the inclusion of a clear commitment to strengthening the institutional and technical capacities of tax administrations in developing countries. The proposed text ensures coherence with the principles of the 2030 Agenda and reinforces the link between tax justice and financing for sustainable development.