

# UNTC 31st Session

## Stakeholder Input Template



Help inform the Committee's deliberations on their work programme for 2025-2029 by sharing your perspectives on challenges in tax policy and administration facing developing countries, emerging issues that need attention, and where there is a need for more or different guidance. Submissions should be made in one of the six (6) UN languages. All valid submissions will be published on the UN Tax Committee website in the language submitted.

**Submission details:** Deadline: **1 September 2025**, Email to: [taxcommittee@un.org](mailto:taxcommittee@un.org)

Subject: Input for UN Tax Committee Work Programme (2025-2029)

### INFORMATION

Contact Person: Mr. Kuntal Dave

Email: [kuntaldave@nanubhaidesai.com](mailto:kuntaldave@nanubhaidesai.com)

Type: Other

Organization (unless submission is in personal capacity): Submission in personal capacity

**BACKGROUND** (Maximum of 200 words) – Please respond on page 2.

Please provide a brief summary of your organization's mandate and areas of work unless this submission is in personal capacity, how they relate to international tax cooperation, domestic resource mobilization, sustainable development, or any other field. This will help us map and better contextualize your perspective and input.

**WORK PROGRAMME PRIORITIES** (Maximum of 2000 words inclusive of any footnotes) – Please respond on page 3.

What should be the Committee's priority issues for 2025-2029? Consider, in light of the Committee's mandate, both the provisional agenda topics and any additional areas you believe are important.

For each priority you recommend, please explain:

- a) Why is this issue important for developing countries?
- b) What specific guidance or tools should the Committee produce?
- c) How would this output be practical and valuable for countries?

**SUPPORTING REFERENCES** Please list any hyperlinks to relevant reports, studies, or other materials that support your recommendations. Do not attach files. – Please respond on page 4.

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**Input submitted in personal capacity. – Details of job title and affiliation**

I, Kuntal Dave, am leading my firm – Nanubhai Desai & Co. and actively advise clients on corporate restructuring matters and foreign collaboration arrangements. My area of interest and practice specializes in devising innovative, tax efficient and legally compliant strategies. As a Chartered Accountant with extensive experience in International Tax Advisory, I regularly speak at various forums and tax conferences on the subject of international taxation, cross border mergers and venture capital investments. I have co-authored a book providing detailed analysis on Black Money (Undisclosed Foreign Income & Assets) & Imposition of Tax Act, 2015 and contributed to the India chapter of the book "The Oxford Handbook of International Law"

I am a fellow member of Institute of Chartered Accountants of India and also qualified to act as Insolvency Resolution Professional (IRP) and Registered Valuer (RV) under the Indian regulations. Currently, I serve on the Executive Board of International Fiscal Association, Netherlands. I am ex-chair the Asia Pacific Region of IFA. I also hold the position of President of India Chapter of Asia CEO Community, Hong Kong and serve as member of Board of JPA, France and Senator – India at the World Business Angels Investment Forum.

The inputs provided and views expressed in this template are my inputs and views in a personal capacity and do not represent views of / and/or inputs from any organisations or affiliations.

## **WORK PROGRAMME PRIORITIES** (Maximum of 2000 words inclusive of any footnotes)

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The globalization and rapid digitalization of the economy have radically altered how MNEs conduct businesses globally. Multinational Enterprises (MNEs) can now generate substantial revenues from different markets without physical presence and are able to shift profits across jurisdictions with relative ease. Inconsistent and fragmented implementation of un-cohesive tax rules will fasten avoiding tax challenges for taxpayers as well as revenue authorities. A fair, stable, effective and inclusive framework is consequently critical to enable countries to respond to existing tax-related challenges.

List of Priority Issues to be considered:

1. Priority I – Advancing fair and equitable income allocation framework to market jurisdictions under the proposed 'United Nations Framework Convention on International Tax Cooperation':
  - a) The tax competition often favors wealthier nations and undermines the rights of the developing and low-income nations. For instance, the source/host states are usually restricted to tax income at source, where the profit generating activities took place, thereby unfairly reduces the taxing rights of the source/ host nations for the foreign MNEs.
  - b) This imbalance should be addressed by working on creating consensus amongst the members on desirable and most appropriate methodology in income allocation, and in reaching to sound, simple, fair, and equitable principles for allocating income to various jurisdictions with the endeavor to have fairer and easier understanding and smooth implementation of the methodology for income allocation amongst various jurisdictions. To address the practical challenges, one should thoroughly consider providing **models and templates for domestic rules and treaty languages, develop and extend model impact tools for income projections and promote use of advanced software tools**. Further, complexities and difficulties in arriving at taxable base should be addressed such that it offers certainty, transparency and ease of implementation for the stakeholders. Such framework / solution can be introduced through multilateral instruments.
  - c) Structured and continuous stakeholder engagement, including public consultation and dialogue with tax administrations, business

representatives, would deeply contribute in framing, clarifying and implementing the methodology and principles underlying the income allocation principles. This is particularly important for smaller jurisdictions with mature markets, where clear and accessible rules can have a significant impact. Efforts should focus on streamlining technical provisions, replacing current complexity with certainty and transparency. Such reforms shall make application more manageable for both taxpayers and tax authorities, ensuring that the allocation of income truly reflects both the economic realities of value creation and the need for distributive justice among nations.

## 2. Priority II – Promoting dispute avoidance

- a) Increasing complexity of cross-border taxation, stemming from divergent interpretations of key taxing principles, the timing and attribution of taxable events, and inconsistencies in domestic implementation of international standards, has led to a plethora of disputes/ issues between the taxpayer and the tax authorities in various jurisdictions. A dispute resolution mechanism often addresses only the symptoms, without tackling the root causes of such disputes.
- b) To align with the realities of the evolving global economic landscape, focus should be placed on developing **harmonized global rules** with universally accepted definitions, criteria for incidence, and compliance standards for key taxing events, and providing implementation guidance on key taxing principles/ interpretations/ incidence/ events such that it eliminates any opportunity for disputes. **Comprehensive guidance** should accompany such rules to eliminate interpretative gaps and reduce opportunities for disputes. The emphasis should be on preventing disputes rather than solely refining the dispute resolution mechanism. In doing so, as discussed in the thirtieth session of the committee of Experts on International Cooperation in tax matters, establishing **low-cost mediation mechanisms/ platforms/ centers** to resolve issues before they escalate to formal arbitration is critical step in the right direction. Such dispute avoidance mechanisms can be implemented in a phased approach through a multilateral document which are universally accepted and enforceable across all participating jurisdiction. Further, regular reviews with the possibility of fast-track amendment procedures will contribute to the success and relevance of the framework.
- c) This combining approach of advanced administrative guidance, standardized reviews, technology integration and multilateral coordination, will not only reduce costs and inefficiencies for stakeholders but also strengthen trust and collaboration between tax administrations. Ultimately, by prioritizing dispute prevention, jurisdictions can foster a stable, predictable, and fair international tax environment that benefits all countries and promotes long-term sustainable revenue mobilization.

3. Priority III – Establishing Consensus-Based Universal Principles and Interpretations for Transfer Pricing:

- a) Transfer Pricing remains a fundamental component of international taxation, governing how MNEs price transactions between their related entities across borders. Often, the rules are misapplied such that the allocation of profits is not aligned with the economic activity that produces the profit.
- b) Given the increasing complexity of global business structures there is a pressing need for clear **guidance for simplified interpretation and applicability of arm's length principle**, consistent principles and interpretations, and illustrative sector-specific examples that all countries can apply, such that it mitigates risks of profit sharing and tax base erosion while reducing disputes. A consensus-based, universally applicable set of principles and examples is crucial for addressing disparities in interpretation, fostering tax certainty, and facilitating cooperative compliance globally. Such simplification is particularly important for developing countries, which frequently face challenges in applying complex transfer pricing rules but stand to gain significantly from predictable and equitable income allocation.
- c) The development of a unified global transfer pricing standard clearly providing interpretation and rules will reduce disputes, ensure profit attribution reflects genuine economic value creation, and promote a transparent and predictable environment for both tax administrations and multinational enterprises.

4. Priority IV – Strengthening Tax Administration for Effective International Taxation through the UN Secretariat:

- a) Many developing countries and emerging economies, often face structural and resource constraints to enforce complex international tax rules and fully benefit from global tax reforms. Capacity building and training programs for revenue authorities are essential prerequisites for effective implementation of international tax reforms.
- b) **Capacity building strategies should encompass framework/tools such as peer-to-peer training, technical assistance, and sustained collaborative networks, all tailored to the specific needs of each jurisdiction.** These strategies should focus on key areas such as international transfer pricing, dispute prevention, adoption of recognized best practices, enhanced cross-border cooperation between tax authorities, etc. Further, introduction and promotion of use of technology in revenue administration will help in optimizing the conventional functions. Such initiatives will improve technical proficiency, administrative capabilities and institutional framework needed to address complex international tax issues. Capacity building efforts, not only improve compliance and enforcement but also empower countries to participate more fully and fairly in the international tax system. By building

stronger tax institutions, these programs contribute to sustainable revenue generation, promote tax fairness, and reduce reliance on external aid.

- c) Investment in capacity building and training for revenue authorities is one of the most practical and impactful approaches available to ensuring that countries can effectively implement international tax reforms and safeguard their tax bases. These programs not only improve compliance and enforcement but also reduce reliance on external aid, promote fairness, and contribute directly to domestic resource mobilisation. By fortifying tax institutions at their foundation, jurisdictions can better manage the impacts of an evolving international tax landscape and participate more equitably in shaping global tax policy.

**SUPPORTING REFERENCES** Please list any hyperlinks to relevant reports, studies, or other materials that support your recommendations. Do not attach files.

<https://docs.un.org/en/E/2025/45/Add.1>

<https://www.taxadvisermagazine.com/article/united-nations-new-framework-international-tax-cooperation>

[https://news.un.org/en/story/2024/08/1153301?\\_gl=1\\*r7d7js\\*\\_ga\\*MTMxNzUzNDU0LjE3NTQ2MzE4NzE.\\*\\_ga\\_TK9BQL5X7Z\\*cze3NTU0OTU1NDMkbzMkZzAkdDE3NTU0OTU1NDMkajYwJGwwJGgw](https://news.un.org/en/story/2024/08/1153301?_gl=1*r7d7js*_ga*MTMxNzUzNDU0LjE3NTQ2MzE4NzE.*_ga_TK9BQL5X7Z*cze3NTU0OTU1NDMkbzMkZzAkdDE3NTU0OTU1NDMkajYwJGwwJGgw)

<https://www.un.org/en/desa/international-tax-cooperation-advancing-equality-and-sustainable-development>

<https://www.imf.org/-/media/Files/Conferences/2024/13-IMF-Japan-Conf/Presentations/margaret-cotton-imf-international-tax-administration.ashx>

<https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/beps/pillar-one-update-co-chair-statement-inclusive-framework-on-beps-january-2025.pdf>

[https://www.un.org/esa/ffd/wp-content/uploads/2017/04/ICTM2017\\_Presentation\\_Rubagumya.pdf](https://www.un.org/esa/ffd/wp-content/uploads/2017/04/ICTM2017_Presentation_Rubagumya.pdf)

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4456257](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4456257)

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[https://www.ey.com/en\\_gl/insights/tax/international-tax-and-transfer-pricing-survey](https://www.ey.com/en_gl/insights/tax/international-tax-and-transfer-pricing-survey)