



# 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: Vladimir STARKOV

Email: [vladimir.starkov@nera.com](mailto:vladimir.starkov@nera.com)

Type: Business Sector

Organization (unless submission is in personal capacity): 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.

**BACKGROUND** *(Maximum of 200 words)*

*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.*

As a quantitative economist, I would be happy to assist the UN Tax Committee with tasks such as quantifying the economic impact of potential tax policies, analysis of specific industries, position paper drafting, etc.

As a transfer pricing professional with 25 years of experience, I will be providing my input to the Committee in my personal capacity. The views expressed in these comments represent my own opinion and not those of my employer, NERA Economic Consulting, or any of NERA's other employees.

NERA Economic Consulting is part of the Oliver Wyman Group and the Marsh & McLennan Companies, an international professional services firm. As a global firm of economic experts, NERA is dedicated to applying economic, financial, and quantitative principles to complex business and legal challenges.

NERA experts are independent of accounting, tax, and law firms, and bring academic rigor, objectivity, and real-world industry experience to issues arising from public policy and regulation. NERA experts hold themselves to the highest standards of objectivity and integrity. They strive to prepare analysis and testimony that are understandable to our audiences and defensible to challenges.

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

*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?*

I would like to provide three proposals for consideration by the members of the UN Tax Committee.

### **Proposal 1: Continued Attention to Cross-Border Digital Services**

The volume of cross-border transactions involving digitally provided services is rapidly growing. According to IISD, by 2019, services accounted for 55% of GDP and 45% of employment in developing countries.[1] In addition, according to UNCTAD, the volume of digitally deliverable services in developing economies is now nearly equal to the volume of other types of services (while in developed countries, the volume of digitally deliverable services exceeds the volume of other services).[2] The increasing role of AI-enabled digital services should contribute to an even faster growth of digitally delivered services in the near future. Yet, despite the significant volume of cross-border digital services, positions of tax authorities of various countries on taxation of this trade flow remain largely fragmented at this time. My hope is that the work of the Committee may help to bridge this rift.

The previous members of the Committee made very significant progress in advancing the guidance on taxing payments to non-resident service providers (Article 12AA of the UN Model Tax Convention) and taxing income from automated digital services provided by non-residents (Article 12B). My suggestion to the new Committee membership would be to **consider combining the content of Articles 12AA and 12B** into a comprehensive article on cross-border services provided without a physical presence.

In my view, this change will be beneficial for the UN members for the following reasons. **First**, in view of the increasing volume of cross-border services, continued separation of services between the two articles does not seem necessary; **second**, there may be an overlap between the transactions in scope of the Articles 12AA and 12B;<sup>1</sup> and **third**, the option of "net basis" for taxation described in Article 12B is worth making available for the services covered by Article 12AA, in my opinion.

---

<sup>1</sup> While Paragraph 2 of Article 12AA specifies that several Convention articles, including Article 12B, limit the application of Article 12AA, the scope of services to which Article 12AA applies is quite broad. Since Paragraph 6 of Article 12B contains an enumerated list of "automatic digital services," Article 12AA in its current reading may be construed to apply to automated digital services other than those listed in Paragraph 6 of Article 12B.

## Proposal 2: Taxation of Mobile Workforce

Many modern-day business models allow for a wide latitude of locations where members of the workforce can be based, and, moreover, such business models are prone to frequent changes in the actual physical location of some of the workforce members (often those with high-level management responsibilities). Remote work is not just a developed-country phenomenon; rather, online remote work is rapidly expanding in developing countries where demand for online gig workers is rising faster than in industrialized countries. Estimates suggest that the remote workforce now accounts for up to 12% of the global labor force and is a growing source of income for millions. [3]

Taxation of businesses with mobile workforces poses many special challenges such as determination of **taxable nexus** (residence and permanent establishment) of remote workers, arm's length **profit attribution** to permanent establishments, personal income tax issues, and **location of the valuable intangibles** created by the mobile workforce.

The benefit of the Committee addressing taxation issues associated with the mobile workforce will be in clarifying the application of the UN Model Tax Convention to sustained cross-border remote work arrangements, specifically, whether a certain combination of conditions can give taxation rights to the jurisdiction where remote workers provide services from.

## Proposal 3: Alignment of the UN Tax Committee agenda with that of UNTC2 Negotiating Committee

I wholeheartedly support the establishment of the UNTC Negotiating Committee, and its work agenda formalized in the form of "roadmap and working methods." [4] I believe, however, that the UNTC Negotiating Committee would benefit tremendously from calling on the resources that the UN Tax Committee has to offer. As a group of independent experts, the UN Tax Committee can provide invaluable support to UNTC in **preparing the initial drafts** of various documents such as early protocols, **providing reasoned background** for the drafts' language, drafting **technical reviews** of negotiated documents, providing **policy impact analyses**, etc.

I think that the technical input from the UN Tax Committee on the early protocols (and subsequent protocols) to the UN Framework Convention will benefit delegations of all countries that are involved in negotiating this Convention.

---

<sup>2</sup> United Nations Framework Convention on International Tax Cooperation

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

- IISD (International Institute for Sustainable Development). *A Roadmap for Negotiating the Protocols to the United Nations Framework Convention on Tax*. July 2025. <https://www.iisd.org/system/files/2025-07/negotiating-protocols-un-framework-convention-tax.pdf>. Accessed on 8/25/2025.
- UNCTAD (United Nations Conference on Trade and Development). *Data Hub, International Trade Data Insights: Trade in Services by Category*. <https://unctadstat.unctad.org/insights/theme/231>. Accessed on 8/25/2025.
- Datta, Namita; Rong, Chen; Singh, Sunamika; Stinshoff, Clara; Iacob, Nadina; Nigatu, Natnael Simachew; Nxumalo, Mpumelelo; Klimaviciute, Luka. 2023. *Working Without Borders: The Promise and Peril of Online Gig Work*. © World Bank. <http://hdl.handle.net/10986/40066>. Accessed on 8/25/2025.
- UN Framework Convention on International Tax Cooperation. *Roadmap and working methods*. <https://financing.desa.un.org/sites/default/files/2025-04/roadmap%20A-AC.298-CRP.12.pdf>