

Co-Lead's Draft
Framework Convention Template

Article 1
Objectives

[From ToR]

Article 2
Principles

[From ToR]

Article 3
Definitions

[To come]

Article 4
Fair Allocation of Taxing Rights

The States Parties agree that every jurisdiction where a taxpayer conducts business activities, including jurisdictions where value is created, markets are located and revenues are generated, have a right to tax the income generated from such business activities.

Article 5
High-net worth individuals

1. In order to prevent high net worth individuals from avoiding or evading taxes, the States Parties agree to adopt measures to detect and thwart such activities, including through expanding exchange of information to additional types of assets and instruments as such exchange becomes feasible.
2. The States Parties agree to share information regarding structures and techniques used by high-net worth individuals to avoid and evade taxes and to require appropriate disclosures of such structures and techniques by taxpayers, advisors and intermediaries involved in developing them.
3. The States Parties agree to adopt coordinated approaches to ensuring effective taxation of high-net worth individuals.

Article 6

Mutual Administrative Assistance

1. The States Parties recognize that domestic resource mobilization depends on the ability of all States to enforce their domestic tax laws. Accordingly, States Parties shall afford one another the widest measure of mutual administrative assistance (including through exchange of information for tax purposes), to support the administration or enforcement of the domestic laws regarding taxes of every kind and description by another State Party. Such administrative assistance will include the exchange of information regarding revenues, expenses, profits, taxes paid, tax planning strategies, tax structuring arrangements, the nature of activities, and any other relevant information.
2. The States Parties agree to cooperate to identify and eliminate administrative barriers that prevent effective mutual administrative assistance, including with respect to transparency and exchange of information for tax purposes.
3. Any information obtained by a State Party under Articles 5 and 6 of this Convention shall be treated as secret and protected in the same manner as information obtained under the domestic law of that State Party and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Party as required under its domestic law.
4. The States Parties agree to expand assistance in collection of tax debts to the extent possible, taking into account the needs and capacities of the States Parties, as well as national constitutional restrictions.

Article 7

Illicit Financial Flows, Tax Avoidance and Tax Evasion

The States Parties agree to cooperate in combating tax-related illicit financial flows, including:

- a) by developing effective tools for the detection of tax-related illicit financial flows, enforced through international cooperation and transparent reporting standards, as necessary to ensure effective taxation of income and profits from tax-related illicit financial flows; and
- b) through sharing information regarding structures and techniques used by taxpayers to avoid and evade taxes on their income.

Article 8

Harmful Tax Practices

1. The States Parties recognize that harmful tax practices undermine the ability of all countries to tax income fairly, particularly income derived by multinational enterprises that can shift assets and income across borders. International cooperation, at global and regional levels, is therefore necessary to address such practices and safeguard equitable taxation.
2. The States Parties agree that any tax incentives provided by States Parties should be substance-based, linked to investment or performance, and not merely profit-based.
3. Accordingly, the States Parties agree to cooperate in developing effective tools for combating harmful tax practices, including:
 - a) through sharing information regarding revenues, assets, employees and reported income on a country-by-country basis, taking into account both the needs and the different capacities of the States Parties; and

- b) by introducing appropriate measures, which may include minimum taxes, on business activities originating from jurisdictions with harmful tax practices.

Article 9

Sustainable Development

Taking into account their different capacities, the States Parties agree to pursue international tax cooperation approaches that will contribute to the achievement of sustainable development in its three dimensions, economic, social and environmental, in a balanced and integrated manner.

Article 10

Prevention and Resolution of Tax Disputes

1. The States Parties recognize that implementation of effective measures for avoiding and resolving tax disputes supports cross-border investment and cross-border trade in goods and services.
2. The States Parties will seek to minimize the potential for disputes by providing clear and accessible legislation and interpretative guidance regarding tax obligations.
3. The States Parties also will strive to implement domestic dispute resolution mechanisms that are fair, independent, accessible, and effective in resolving disputes in a timely manner for both taxpayers and the tax authorities involved.

Article 11

Capacity Building and Technical Assistance

[To come]

Article 12

Relation with Other Agreements, Instruments and Domestic Law

[To come]

Article 13

Financial Resources

[To come]

Article 14

Data Collection and Analysis

[To come]

Article 15

Exchange of Information for Implementation of the Convention

[To come]

Article 16
Review and Verification

[To come]

Article 17
Conference of the States Parties to the Convention

[To come]

Article 18
Secretariat

[To come]

Article 19
Subsidiary Bodies

[To come]

Article 20
Settlement of Disputes arising under the Convention

[To come]

Article 21
Amendments to the Convention

[To come]

Article 22
Relation with Protocols

1. This Convention may be supplemented by one or more protocols.
2. The requirements for the entry into force of any protocol shall be established by that instrument.
3. In order to become a Party to a protocol, a State must also be a Party to this Convention.
4. A State Party to this Convention is not bound by a protocol unless it becomes a Party to the protocol in accordance with the provisions thereof.

Article 23
Depositary

[To come]

Article 24
Signature, ratification, acceptance, approval and accession

[To come]

Article 25
Reservations

[To come]

Article 26
Entry into force

[To come]

Article 27
Withdrawals

[To come]

Article 28
Authentic Texts

[To come]