



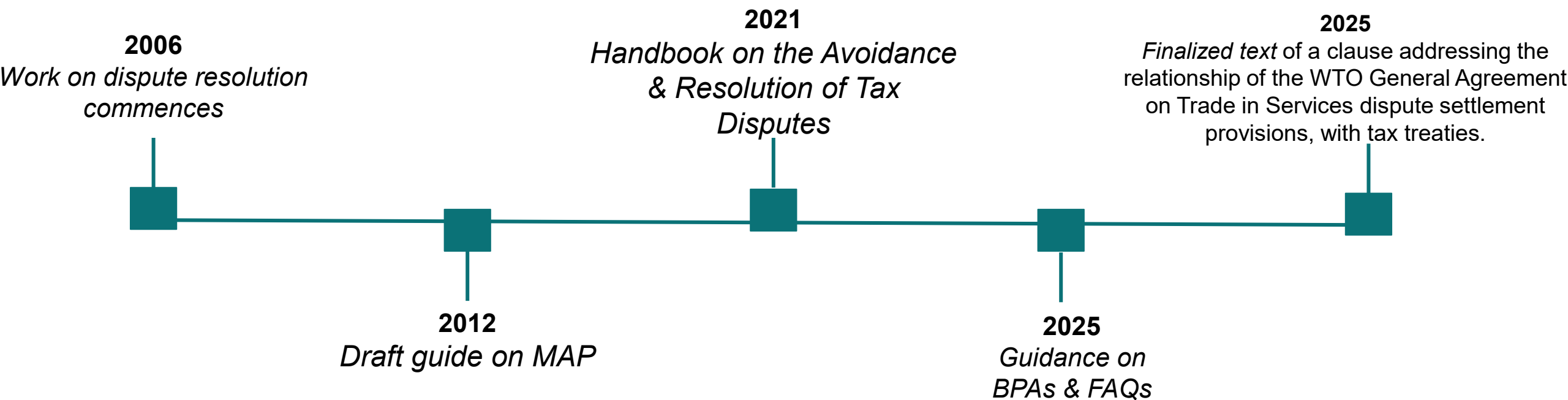
United Nations Committee of Experts on International Cooperation in Tax Matters

Secretariat Note on Dispute Avoidance & Resolution

Agenda

- I. Prior Work in the Area of Transfer Pricing
- II. Identified Gaps
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I. Prior Work in the Area of Dispute Avoidance & Resolution



The UN Handbook on the Avoidance & Resolution of Tax Disputes provides guidance on the various mechanisms that may be used to avoid tax disputes, and where such disputes arise, to resolve them.

II. Identified Gaps

Unilateral Advance Pricing Arrangements

A gap exists for practical guidance on establishing and operating unilateral APA regimes tailored to developing country contexts. There exists extensive guidance on bilateral APAs but many developing countries need to establish unilateral APA experience before progressing to bilateral arrangements.

III. Proposed UNTC Output

Practical Guidance Unilateral APAs

- The Committee could develop practical guidance on unilateral APAs to supplement the existing Handbook.
- This guidance would provide step-by-step processes for establishing a unilateral APA regime in countries without existing frameworks, practical “how-to” guidance on negotiating unilateral APAs, and developing country experiences with APAs highlighting both challenges encountered and strategies for addressing them.

Proposed UNTC Output (*continued*)

Monitoring Developments in Dispute Avoidance & Resolution

- Establish a monitoring function to track developments in dispute avoidance and resolution across various fora, as well as feedback from capacity development activities.
- This would allow the Committee to identify whether emerging issues or experiences in country implementation reveal new gaps where practical Committee guidance for developing countries would be warranted.

IV. Relationship with Other Workstreams & SDGs

- The proposed workstream is interlinked with other potential workstreams and will require close coordination & collaboration.
- Specifically, there are linkages to the Transfer Pricing workstream.
- Dispute prevention and resolution is also the subject of one of the early protocols being negotiated in the UN intergovernmental process toward a United Nations Framework Convention on International Tax Cooperation, which process is separate from but complementary to the Committee's work.

Relationship with Other Workstreams & SDG (continued)

- Strengthening fair and effective tax systems advances the Sustainable Development Goals (“SDGs”). The proposed work would contribute to SDG 17 by strengthening global partnerships and advancing transparency, domestic resource mobilization and international tax cooperation.



V. Committee Decision Factors for Prioritization

Output A: Guidance on Unilateral APAs

- Alignment with Mandate – Practical guidance for developing countries.
- Evidence of Demand – previous committee recommendation as well as stakeholder submission.
- Achievable within the term (2025-2029) based on development of other similar guidance.
- Current membership has extensive transfer pricing and tax treaties experience necessary for the workstream.

Committee Decision Factors for Prioritization (*continued*)

Monitoring

- Allows the Committee to identify any emerging issues in work carried on in other forums, including the UN Tax Convention, and feedback from capacity development based on available UN guidance.
- This approach only requires modest ongoing engagement through Subcommittee engagement.

VI. Summary of Options for Committee Consideration

- Depending on the scope for this term, the Committee may choose from the following options

Option 1 Monitoring Only.

Option 2 Develop Guidance on Unilateral APAs and Monitoring.

Option 3 The Committee may decide not to undertake any dispute resolution work during this membership.