

Workstream 1: Framework Convention

Morocco's Written Comments

Abstract:

Morocco expresses its sincere appreciation to the Secretariat, the Co-Lead, and all participating delegations for their continued dedication and constructive engagement throughout the work of Workstream 1 under the Framework Convention process and would like to commend the significant efforts invested in fostering an inclusive environment for dialogue and technical collaboration, which has enabled substantive progress on key elements of the draft text of this Convention.

Morocco recognizes the importance of Workstream 1 in shaping a coherent, transparent, and equitable international tax architecture. The discussions held to date demonstrate a shared commitment to addressing long-standing structural imbalances within the global tax system and to ensuring that all jurisdictions, particularly developing countries, benefit from fair allocation of taxing rights and enhanced cooperation mechanisms.

In this spirit, Morocco reaffirms its strong commitment to the ongoing negotiations and to the collective objective of establishing an inclusive and balanced Framework Convention.

Morocco also stresses the need to maintain the inclusive character of the process, ensuring that the perspectives and capacities of all Member States are duly considered and remain fully engaged to work closely with all delegations to consolidate the draft text in a manner that strengthens global cooperation while preserving national specificities and administrative capacities. In this context, Morocco hereby submits its contribution and comments regarding the current draft of the Framework Convention.



Article 6: Mutual Administrative Assistance

Morocco recommends that **paragraph 1** of Article 6 provide broad and clear assistance. This approach should reflect the diverse needs of each Member State.

Regarding **paragraph 4**, Morocco underscores the importance of integrating capacity-building and technical assistance. Many developing countries, including African States, still lack sufficient infrastructure and human resources to effectively implement these measures. However, **Morocco proposes that capacity-building be addressed under Article 11 of the Framework Convention.**

Article 7: Illicit Financial Flows, Tax Avoidance, and Tax Evasion

To ensure the effectiveness of this cooperation, Morocco proposes the following:

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they are effectively deployed. Without effective implementation, these tools will not have concrete impact on reducing illicit flows, a challenge deeply affecting African economies.

- To guarantee strong commitment from Member States in fighting these practices, it is proposed to **add, at the end of this article, a mention regarding corrective measures**, not just detection of these practices.

Morocco considers this article fundamental to improving international tax integrity. It therefore encourages adopting these modifications to ensure concrete, balanced, and adapted action according to the realities of the concerned states.

Article 8: Harmful Tax Practices

Being aware of the crucial importance of a robust framework against harmful tax practices, Morocco wishes to make the following observations aimed at clarifying and strengthening commitments of the States Parties while respecting the diversity of national contexts and fiscal sovereignty.

Regarding **paragraph 1**, setting the general principles of harmful tax practices, Morocco Highlights that in order to guarantee coordinated and effective action, it is imperative that States adopt an explicit commitment to define clearly these practices.

To this end, Morocco suggests precisely **defining harmful tax practices at this article or in Article 3 on definitions**. Such a definition would be a prerequisite for identifying and addressing these practices internationally, avoiding ambiguity and interpretive differences.

Regarding **paragraph 2**, Morocco supports the objective in the proposed text, aiming to ensure that granted tax incentives are based on real substance, not solely on profits. However, Morocco proposes **removing the phrase “linked to investment or performance”** because that notion can be difficult to define and demonstrate objectively. Morocco supports the necessity for each Member State to define its own criteria and the nature of tax incentives, considering its capacities and needs without being constrained by a strict economic criteria definition.

Regarding **paragraph 3**, Morocco considers it essential that the text retains some flexibility to respect each country's context, notably considering existing institutional competences and the development level of national tax systems. Consequently, the formulation of measures to take should be sufficiently open and non-prescriptive and does not preempt the conclusions of the protocol.



Article 9: Sustainable Development

Morocco firmly supports the inclusion of Article 9 on sustainable development in the ongoing work. Being aware of the crucial economic, social, and environmental dimensions of sustainable development, Morocco reaffirms the importance of an international tax system that is not only balanced and integrated but also fair and inclusive, supporting the proposed drafting of this article.

Article 10: Prevention and Resolution of Tax Disputes

Morocco supports the objective of Article 10 aimed at promoting prevention and resolution of tax disputes in the context of cross-border transactions. However, Morocco emphasizes **the need to clarify the scope of this article to avoid confusion between purely domestic disputes** falling under national fiscal sovereignty **and cross-border or international disputes** covered by this framework.

Morocco supports clarification proposals arising from discussions among African countries during the third session and encourages that Article 10 clearly expresses the commitment of the Member States to put in place robust and adapted mechanisms ensuring effective prevention and resolution of tax disputes in all their cross-border components. Morocco proposes **reformulating paragraph 1 by explicitly adding the wording "Member States commit to take all necessary measures to ensure effective prevention and resolution of disputes."**

Morocco also proposes **merging paragraphs 2 and 3** of the draft text proposed by the Secretariat, and **removing the mention of the term "domestic"** which is considered a source of confusion. Thus, the new structure of this article would have a general commitment in the first paragraph, followed by several precise measures in the form of subparagraphs, with an explicit link between commitment and precise actions in the second paragraph.

Morocco underlines **the importance of clarifying the interaction between Article 10**, which addresses the prevention and resolution of disputes related to protocol implementation, **and Article 20**, dedicated to the resolution of disputes arising directly from the Framework Convention. It is necessary to precisely define the scope of Article 20 to avoid any confusion between disputes under the protocol and those specific to the Framework Convention. This distinction would prevent overlap and redundancy between the two articles.

To this end, Morocco proposes **revisiting the content of Article 10 after drafting a clear proposal for Article 20**, to facilitate future discussions and establish a structured draft text where each article has a specific, complementary, and non-redundant role.

