

## Summary of the Third Session of the Intergovernmental Negotiating Committee on the UN Framework Convention on International Tax Cooperation: 10-19 November 2025

The urgent need for funds to ensure sustainable development has never been starker than in 2025, a year that has seen official development assistance decline by up to 33%. New ways to fund the global development agenda are desperately needed. The Sevilla Commitment, the outcome document of the Fourth International Conference on Financing for Development (FfD4), underscored the need to increase domestic resource mobilization, including by tightening global tax practices.

Still in its early stages, the Intergovernmental Negotiating Committee (INC) on the UN Framework Convention on International Tax Cooperation met, for its third of nine sessions, to discuss how best to do just that. Three workstreams convened in an informal setting to consider:

- the text of the future Framework Convention;
- Protocol 1 on taxation of income derived from the provision of cross-border services in an increasingly digitalized and globalized economy; and
- Protocol 2 on prevention and resolution of tax disputes.

Delegates spent the first part of the meeting addressing the commitments they intend to make in the future Framework Convention. Key questions emerged, including: what is fairness in determining the right to tax; how can governments gain an appropriate share of taxation revenue from multinational enterprises without discouraging the desired level of foreign investment; and how can taxpayers be protected from double taxation.

They also held initial discussions on the murky area of illicit financial flows, tax evasion, and tax avoidance, as well as tackling sensitive issues relating to taxing the ultrarich, known in these circles as high-net-worth individuals. Furthermore, the INC opened discussions on capacity-building and technical assistance relevant to the future instrument, with many delegations calling for country-driven needs assessments.

During the second week, the Committee engaged in technical discussions on issues related to the prevention and resolution of tax disputes. They addressed matters such as the efficacy of advance pricing agreements, how best to enhance mutual agreement procedures, and if and how to mandate mandatory arbitration procedures. They also considered the role of the UN in bridging the information gap, which is crucial to decision making in tax matters.

Much work remains to be done to draft and adopt a treaty, and delegates will engage in intersessional work to continue to make progress before the next meeting in February 2026.

INC-3 convened in Nairobi, Kenya, from 10–19 November 2025, and brought together over 120 representatives of governments, industry, and civil society experts.

## A Brief History of the UN Framework Convention on International Tax Cooperation

Amid concerns that the existing global financial architecture fails to address the needs of developing countries, in December 2022, Nigeria, on behalf of the African Group, put forward a resolution to the UN General Assembly (UNGA) entitled “Promotion of Inclusive and Effective Tax Cooperation” ([resolution 77/244](#)). This resolution committed countries to “begin intergovernmental discussions on ways to strengthen the inclusiveness and effectiveness of international tax cooperation through the evaluation of additional options, including the possibility of developing an international tax cooperation framework or instrument...”

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Following this decision, the Secretary-General prepared a [report](#) on international tax cooperation, which was published in September 2023. In response, UNGA resolution [78/230](#) established an *ad hoc* INC to develop draft terms of reference for a UN framework convention on international tax cooperation. The Committee met three times in 2024 and adopted the Draft Terms of Reference (ToR) ([A/AC.298/2](#)) on 16 August 2024. The UNGA subsequently considered and adopted by the ToR in resolution [79/235](#), which also established an INC to draft a framework convention and two early protocols.

The ToR call for the INC to meet for at least three substantive sessions each year between 2025 and 2027, with final texts to be ready for submission during the first quarter of the UNGA's 82nd session. Each session will last up to 10 working days, and the INC may organize informal intersessional consultations as needed.

The process is open to all UN Member States, and the resolution encourages international organizations, civil society, and other stakeholders to contribute to INC's work "in accordance with established practices." The INC was tasked with deciding on the modalities for multi-stakeholder engagement during its organizational session, as well as selecting the topic for the second early protocol, setting out procedural next steps for the process, and determining decision-making rules.

### Recent Meetings

In its organizational session from 3–6 February 2025 in New York, the INC elected the Bureau with Ramy M. Youssef (Egypt) as Chair, agreed on rules for multi-stakeholder participation, and selected the topic of the second early protocol, namely, the prevention and resolution of tax disputes.

INC-1 and INC-2 subsequently took place in New York from 4–8 August 2025 and 11–15 August 2025, respectively, with more than 100 delegates taking part in substantive discussions of the three workstreams.

INC-1 addressed Workstream 1. Member States considered the elements to be included in the Framework Convention, including commitments on dispute prevention and resolution, fair allocation of taxing rights, mutual administrative assistance and exchange of information, and taxation of high-net-worth individuals (HNIs). Discussions highlighted concepts of value creation, taxation where economic activity takes place, and revenue generation as all being relevant to determining the fair allocation of taxing rights.

INC-2 addressed Workstreams 2 and 3. On Workstream 2 (Protocol 1), delegates discussed the need to balance simplicity with fairness, considering the possibility of applying different rules to different types of services, taking into account low-margin businesses. On Workstream 3 (Protocol 2), they debated ways to address information asymmetries, for example, by establishing public databases such as global asset registries.

### INC-3 Report

On Monday morning, 10 November 2025, Chair Ramy M. Youssef (Egypt) opened the meeting, noting the progress made during the intersessional period on the three workstreams, and stressing the importance of stakeholder engagement. Shari Speigel, UN Department for Economic and Social Affairs (DESA), noted that the [Sevilla Commitment on Financing for Development](#) had encouraged support for the INC process, and welcomed the doubling in the number of stakeholders participating at this meeting.

### Organizational Matters

Chair Youssef then introduced the programme of work ([A/AC.298/CRP.20](#)), and the draft decision on the participation of international organizations, civil society, and other relevant stakeholders ([A/AC.298/CRP.19](#)). Delegates adopted the decision.

### Workstream 1 on the Framework Convention

On Monday, 10 November, delegates convened in an informal plenary session to discuss and build on the work done during the intersessional period on the Framework Convention.

Co-Lead Daniel Atwere Nuer (Ghana) introduced the Co-Leads' draft Framework Convention Template from 24 October 2025 ([A/AC.298/CRP.21](#)). He recalled the agreed workflow required first addressing commitments, contained in Articles 4–10, to be made by Member States, then drafting provisions that would depend at least in part on the drafting of commitments and finally discussing issues that are not subject-matter dependent.

**General Statements:** NIGERIA and CHINA called for clarification on subsidiary bodies as part of the Convention's governance structure, and on whether the commitments would be individual articles in the Convention, respectively.

The EUROPEAN YOUTH FORUM called for mentioning intergenerational justice throughout the Convention text and referring to the principles of "polluter pays" and "common but differentiated responsibilities."

The ALTERNATIVE INFORMATION AND DEVELOPMENT CENTRE said the text lacked reference to multilateral solutions, such as the right to tax corporations and HNIs. They called for the future Convention to contribute to addressing gender inequalities and proposed making a compilation of Member States' views on the Convention.

The SOCIETY FOR INTERNATIONAL DEVELOPMENT called for civil society's full and meaningful participation, including in intersessional work.

Many other civil society representatives called for confronting historical inequalities, ensuring fairness for taxpayers, and ensuring that tax policies do not shift burdens to those least able to bear them.

**Article 4 on Fair Allocation of Taxing Rights:** On Monday, 10 November, delegates reviewed the language in this one-sentence article.

On a reference to "every jurisdiction where a taxpayer conducts business activities," many countries preferred to refer to "economic" activities, as was used in a previous draft. INDIA, the RUSSIAN FEDERATION, SINGAPORE, and the SOUTH CENTRE called for using the latter term, as was used in a previous draft. DENMARK emphasized the need for a "general and holistic approach." IRAN preferred keeping a reference to "business" and adding further text to explain the term. Kenya, on behalf of the AFRICAN GROUP, emphasized "business activities" should not be "the overarching factor." ZAMBIA, SIERRA LEONE, and CÔTE D'IVOIRE proposed deleting both terms all together.

On the *three criteria for the fair allocation of taxing rights*—namely, "value creation, market location and revenue generation"—SAUDI ARABIA, SWITZERLAND, SINGAPORE, JAMAICA, and the NETHERLANDS asked what relationship was implied among the three. ESTONIA suggested the three could be understood as being in a hierarchical relationship and emphasized that the right to tax is already enshrined in domestic laws, so the Framework Convention is not the basis for taxation. KENYA disagreed with

there being a hierarchy among the three criteria, noting that “every jurisdiction” has the right to tax.

Chair Youssef noted that any one of those conditions would be relevant and not all three conditions must be present. SWEDEN highlighted the need for more “balanced” criteria to be put forward.

The AFRICAN GROUP suggested replacing “and” with “or” to avoid the interpretation that all criteria need to be met, a proposition supported by ZAMBIA, KENYA, RWANDA, IRAN, MAURITIUS, and the SOUTH CENTRE.

Regarding “market location” as one of the three criteria to be considered, ISRAEL expressed concern that residence-based taxation was not mentioned. CÔTE D’IVOIRE said there was no need to add residence separately for the right to tax because a country “where value is generated” could also be a country of residence. CHINA proposed also referring to “where activity occurs” as a criterion, saying such a reference was sufficiently broad and high-level enough to encompass the other concepts in Article 4. KENYA said that any reference to “residence” would also require a corresponding reference to the source country. On behalf of the AFRICAN GROUP, they welcomed the inclusion of “market location” as a condition relevant to the right to tax.

On the *risk of double taxation*, many delegates expressed concern that the text does not clearly reflect Member States’ commitments. POLAND, HUNGARY, ISRAEL, and SWITZERLAND requested greater clarity of language. ITALY, ESTONIA, BRAZIL, BELGIUM, the UK, SIERRA LEONE, and NORWAY requested more technical work regarding definitions of terminology, with ITALY questioning, for example, the meaning of “where value is created.” ESTONIA, NIGERIA, and ZAMBIA also called for a definition of “jurisdiction,” and “taxpayers,” and for the latter term to include both individuals and corporations. FRANCE and JAMAICA concurred.

JAMAICA and the BOMBAY CHARTERED ACCOUNTANTS’ SOCIETY (BCAS) favored referring to “person,” rather than “taxpayer.” Chair Youssef highlighted that the reference to “taxpayer” in Article 4 does not discriminate between individuals and corporations and is of a general nature. FRANCE called for definitions that are “not too descriptive or restrictive,” and sought clarification as to whether “residence” should be considered in the fair allocation of tax rights. ITALY called for an explanatory note on the three criteria, and JAMAICA suggested the negotiating text could be accompanied by a set of explanatory commentaries, including common definitions to prevent disputes.

Kenya, on behalf of the AFRICAN GROUP, called for simplification of Article 4. SWITZERLAND preferred not to refer to “the right to tax” but instead to say that Member States should observe these high-level principles. The UK called for replacing “State Parties” with “We,” and suggested Article 4 should reflect principles of economic efficiency and neutrality, among others. SAINT KITTS AND NEVIS highlighted the need to embed equity, fairness, and inclusiveness principles in the text.

The REPUBLIC OF KOREA called for limiting residence-based taxation to maintain “a fair balance” for taxpayers. CHINA proposed restoring a previous second paragraph that referenced the avoidance of “unrelieved” double taxation. ZAMBIA asserted that countries already provide relief from double taxation. BANGLADESH noted that the country already has double taxation treaties with 40 countries. CÔTE D’IVOIRE said the risk of double taxation should be addressed elsewhere, so as not to dilute the focus of the article.

KENYA noted that double taxation will be addressed under Article 12 (relation with other agreements, instruments and domestic law). LESOTHO and JAPAN also supported the need to eliminate the risk of double taxation.

PORTUGAL expressed concern that some important elements are not recognized in the text, including the situation of foreign real-estate owners.

On the *relationship between the proposed Framework Convention and other multilateral and bilateral arrangements*, MEXICO, NORWAY, DENMARK, FRANCE, the RUSSIAN FEDERATION, and the UNITED ARAB EMIRATES (UAE) called for clearly defining of how they would interact. The AFRICAN UNION (AU) stressed that Article 4 should reflect the principles of Article 12, which address the relationship between the Convention and other instruments.

The UK affirmed the need for consensus and evidence-based economic and legal analyses to inform negotiations and implementation, with particular attention to the effects on low-and middle-income countries. SWEDEN reiterated the importance of economic analysis. LESOTHO asked for clarification on economic analysis and when it is needed. The UK called for aligning the language in Article 4 with the Sevilla Commitment, especially its paragraph 28(a), which calls to strengthen tax systems and ensure transparency and accountability in public financial management.

SINGAPORE, SWEDEN, and JAPAN sought clarification as to whether the reference to the “right to tax” relates to domestic or international law. JAPAN highlighted the need to ensure consensus, maximize participation, and limit the text to what is “truly necessary” and in accordance with established rules. MAURITIUS highlighted the importance of ensuring the Convention was implementable and underscored the need to focus on “dispute prevention,” rather than on dispute resolution and the importance of capacity-building.

The INTERNATIONAL AIR TRAVEL ASSOCIATION (IATA) said that the article, as drafted, would pose challenges for international air transport, given that ticketing companies, travelers, and airlines are in different jurisdictions. They advised that the text should respect existing provisions set out in their policy framework on taxation in international air transport.

TAX JUSTICE NETWORK AFRICA (TJNA) proposed that, rather than trying to develop a “one-size-fits-all approach,” the issue of fair allocation should be integrated into taxation of HNIs. They expressed concern that the proposed Protocol 1 “risks ringfencing this to a particular economic sector when it is needed across the board.”

African Women’s Development and Communication Network (FEMNET), for the AFRICAN CIVIL SOCIETY WORKING GROUP, urged considering the value created by source countries through their provision of “cheap labor” and, from a feminist perspective, the subsidies given to states by women and girls through their unpaid care work. They stressed that “fair taxation is feminist taxation.”

**Article 5 on HNIs:** Discussions on this article ran from Monday afternoon to Tuesday morning, 10-11 November. Delegates provided extensive comments on the three paragraphs of the article, which addressed:

- measures to detect tax avoidance and evasion, including through expanding exchange of information, “as such exchange becomes feasible”;

- information sharing regarding structures and techniques for tax evasion and avoidance, and requirements for taxpayers, advisors and intermediaries to make “appropriate disclosures”; and
- coordinated approaches to ensuring effective taxation of HNIs.

**Avoiding duplication** was a key theme in many interventions. The UK, the BAHAMAS, CÔTE D’IVOIRE, IRELAND, MEXICO, PERU, ITALY and SWITZERLAND drew attention to existing instruments and structures for information sharing and reporting. The REPUBLIC OF KOREA noted the existing [Common Reporting Standard](#) (CRS) developed by the Organisation for Economic Co-operation and Development (OECD), which also addresses information exchange for tax purposes. SWITZERLAND cited the lack of real estate registries in many countries as a barrier to information sharing, and the BAHAMAS shared its own experience of not having a national registry. Member States, including NIGERIA, LESOTHO, SIERRA LEONE, and CÔTE D’IVOIRE, generally supported the adoption of Article 5. LESOTHO said Article 5 does not affect sovereign powers and national laws, as it only calls for collaboration among Member States. ITALY suggested providing explanatory notes or commentaries on the text.

On **detecting tax avoidance and evasion**, Zambia, for the AFRICAN GROUP, suggested deleting the phrase “as such exchange becomes feasible,” to avoid weakening this commitment, supported by the BAHAMAS and the AFRICA TAX ADMINISTRATION FORUM (ATAF). SWITZERLAND proposed “expanding” rather than “improving” information exchange.

On **information sharing and disclosure**, several countries expressed hesitation. INDIA and AUSTRIA found it prescriptive in nature. The BAHAMAS suggested its specific provisions did not belong in a framework convention, while ITALY called for greater clarity on the use of “vague and confusing” terms, such as the reference to “techniques used by HNIs.” SINGAPORE, the UK, and others preferred focusing on the “effective” exchange of information. With FRANCE and NORWAY, they underlined the need to focus on strengthening international cooperation. INDIA, SWITZERLAND, CÔTE D’IVOIRE, NORWAY, the RUSSIAN FEDERATION, and ISRAEL then suggested addressing information sharing in a separate article, which, INDIA suggested, could include cross-references to other articles. AUSTRIA, supported by SWEDEN, proposed exploring the topic further and providing definitions in a separate protocol.

The BAHAMAS highlighted challenges with establishing systems for automatic information exchange, noting unclear costs and benefits of the CRS and implementation difficulties, citing the US system that affects uniformity and creates “tax arbitrage” mechanisms. They noted the difficulty in implementing “appropriate disclosures of such structures and techniques,” particularly regarding global citizens with multiple tax residences, and regretted the article did not incorporate lessons from work done on wealth taxation and other tax issues considered by the UN Economic and Social Council (ECOSOC).

JAMAICA said the call for disclosures by advisors and intermediaries involved in developing structures and techniques used by HNIs to avoid and evade taxes amounted to overreach. IRAN called to expand the scope for disclosures to include digital assets and proposed establishing a technical committee on the taxation of HNIs.

On **coordinated approaches to ensuring effective taxation of HNIs**, the UK, the BAHAMAS, CÔTE D’IVOIRE, SINGAPORE, REPUBLIC OF KOREA, SWITZERLAND, and ITALY preferred “explore” rather than “adopt” coordinated approaches. CHINA noted that the word “adopt” is not feasible for many countries and suggested combining language on tax avoidance and evasion with that on information sharing among governments. JAPAN, the UAE, and PERU requested clarification of what was meant by “coordinated approaches.” BELGIUM, with CÔTE D’IVOIRE, CHINA, SAUDI ARABIA, and the UAE, underlined that HNIs’ taxation is a domestic issue. IRAN, BRAZIL, POLAND, and BELGIUM called for a definition of key terms, including a definition of HNIs. AUSTRIA said the taxation of HNIs was a “delicate issue” relating to state sovereignty and suggested more cautious wording. SWITZERLAND suggested adding text “guaranteeing national sovereignty” in relation to information exchange.

In general, countries expressed hesitation about the text, with SWITZERLAND and ITALY suggesting some of its provisions were “premature.” IRELAND and others sought clarification regarding the legal obligations that would be enshrined in this article, including whether information exchange would be set up to be automatic. POLAND said Article 5 language is halfway between a commitment and a precise obligation for Member States. HUNGARY responded that Article 5 sets out general commitments, and more detailed obligations will be addressed in the Protocols, and suggested that the current language might “go beyond” but is still appropriate to a framework convention.

The INSTITUTE FOR SOCIOECONOMIC STUDIES proposed establishing a global asset registry to enable information exchange, introducing a global minimum tax for “the super-wealthy,” and using the revenue to address climate change and other challenges.

Akina Mama wa Afrika (AMwA), on behalf of the AFRICAN CIVIL SOCIETY WORKING GROUP, stressed the future Convention must fulfil the mandate given in the adopted ToR to address tax avoidance and evasion by HNIs, stating this is vital for reducing inequalities within and between countries, and will mobilize funds for sustainable development. Noting the ultra-wealthy may move countries frequently to escape taxation, they called for applying exit taxes and minimum post-departure tax liabilities.

BCAS called for adequately defining “HNI” and “effective taxation,” noting there is a large difference between HNIs in developed and developing countries. They proposed compiling a database on countries’ measures to detect tax avoidance and evasion, and to consider what was achieved by [the base erosion and profit shifting \(BEPS\) Action Plan 12 on Mandatory Disclosure Rules](#), implemented under the OECD/G20 BEPS Project.

The SOUTH CENTRE supported the current wording, noting that taxation of HNIs cannot be effective without multilateral cooperation and proposed, with BRAZIL, a separate protocol to provide further details on cooperation.

The COMMITTEE ON FISCAL STUDIES (CFS) of the University of Nairobi proposed that each State Party should establish criteria for identifying HNIs, implement automatic exchange of information, and coordinate on a global minimum tax.

TANZANIA called for adopting clear and implementable commitments in line with the ToR. BRAZIL advocated for a broad definition of HNIs rather than defining specific wealth

thresholds. YOUTH FOR TAX JUSTICE NETWORK underlined that sovereignty allows for taxing HNIs, and a failure to do this undermines development financing in developing countries.

**Article 6 on Mutual Administrative Assistance:** On Tuesday morning, 11 November, Co-Lead Nuer introduced this article, comprising four paragraphs on:

- States Parties affording each other “the widest measure” of mutual administrative assistance (including the exchange of information for tax purposes) to support the administration or enforcement of domestic tax laws;
- agreement to cooperate to identify and eliminate administrative barriers that prevent effective mutual administrative assistance for transparency and exchange of information for tax purposes;
- protection of personal data obtained by these means, in accordance with the domestic law of the supplying Party; and
- expansion of assistance in collection of tax debts “to the extent possible.”

Zambia, for the AFRICAN GROUP, underlined that this article is central to achieving domestic resource mobilization. They stressed that the scope of the article should include assistance in the “exchange of information of any kind, such as assistance in tax collection, simultaneous tax examination, tax examination abroad, service of documents or any other assistance as the Conference of the Parties (COP) determines.” On secrecy and confidentiality of tax information, they suggested an exception for information agreed by the COP. GHANA called for developing common minimum standards for information exchange.

**Avoiding duplication** was also a recurring issue in this discussion. MEXICO, the EU, CHINA, JAPAN, AUSTRIA, BELGIUM, the REPUBLIC OF KOREA, and IRELAND expressed concern about overlap with other international frameworks, especially the OECD’s [Multilateral Convention on Mutual Administrative Assistance on Tax Matters](#) (MAAC). The UK called for a concrete plan to ensure coherence with existing mechanisms and expressed concerns about the future convention going beyond the mandate of the MAAC. The UAE agreed with the need to avoid duplication of work.

JAPAN, BELGIUM, and others noted that it would be more efficient to improve the existing framework rather than repeating the work already done, while others said the existing framework is not equitable and remains uneven, especially for developing countries.

KENYA stressed that the ToR should consider the existing international framework but should not be bound by it, highlighting the significant challenges developing countries face in implementing existing policies. They noted that very few developing countries benefit from existing mechanisms, which, they emphasized, are not inclusive. GHANA highlighted that, despite existing mechanisms for exchange of information, many states are not members of the OECD [Global Forum on Transparency and Exchange of Information for Tax Purposes](#), and only a small number are able to implement automatic exchange of information.

ESTONIA noted the high cost per capita for countries with a small number of taxpayers to implement these systems and advocated concentrating on improving the existing framework rather than building a new one. JAMAICA noted that while Article 6 replicates some language in existing instruments, gaps remain in the current system. NORWAY concurred on the need to identify and address current gaps in international tax cooperation frameworks, and to include a separate commitment in Article 11 on capacity-building and technical assistance.

BRAZIL questioned why existing frameworks are not working and emphasized that Article 6 should help identify root causes, such as financial constraints, and guide solutions through cooperation with the Global Forum on Transparency and Exchange of Information for Tax Purposes and other initiatives, rather than creating entirely new structures.

INDIA and SINGAPORE stressed that addressing administrative barriers should not compromise procedural safeguards and requested text on this point. INDIA also proposed including language on strengthening differentiated capacities. The BAHAMAS, with JAMAICA, called for Article 6 to include capacity-building for developing countries, especially SIDS.

On **affording each other “the widest measure” of mutual administrative assistance**, CHINA preferred to delete reference to the “widest measures,” with SAUDI ARABIA and SINGAPORE calling to define its meaning. SWITZERLAND suggested a qualifying phrase, “according to agreed international standards.” SINGAPORE suggested establishing limits to administrative assistance.

NORWAY considered that examples of information exchange, including “revenues, expenses, profits, taxes paid, tax planning strategies, and tax structuring arrangements” were too prescriptive, and called for “guardrails” to maintain confidentiality and ensure only relevant data is collected. TANZANIA supported taking “the widest possible measures” in mutual administrative assistance, noting that the current text does not, for example, mention customs inspections, which he considered essential.

On **cooperation to identify and eliminate administrative barriers**, PERU called for a common standard for confidentiality. CHINA and others called for grouping provisions for information exchange into a new article and the BAHAMAS suggested that this could be addressed in Article 15. BELGIUM proposed changing the language in paragraph 2 of Article 6 to “agree to explore and expand” cooperation, and to include a reference to safeguards. BRAZIL said they saw no need to repeat safeguards already mentioned in other paragraphs. NORWAY proposed deleting the intention to “eliminate” administrative barriers, saying it should rather be a goal to “reduce” barriers. TANZANIA supported “eliminating” administrative barriers.

On **protection of personal data**, SAUDI ARABIA called for introducing a separate article on confidentiality of information. ISRAEL, the REPUBLIC OF KOREA, BELGIUM, and others stressed the need to retain existing safeguards. AUSTRIA expressed concern that, without proper clarification and detail, existing safeguards such as confidentiality and taxpayer rights could be diluted and suggested a protocol addressing this issue might be more appropriate. JAPAN advocated for language on safeguards to also be included in Article 7 on illicit financial flows (IFFs), tax avoidance, and tax evasion, and in Article 8. BRAZIL said such a safeguard provision could not replace existing conventions like MAAC and suggested that it could be addressed in greater detail in a new protocol.

On **expansion of assistance in collection of tax debts**, SAUDI ARABIA called for deleting language on the collection of tax debts underscoring that this is a domestic issue. The REPUBLIC OF KOREA raised concerns about the associated legal and financial burden, and BRAZIL raised concerns about practical implementation. The REPUBLIC OF KOREA called for a common minimum standard of confidentiality and respect for personal data.

SIERRA LEONE proposed a fifth paragraph to reflect the special needs and limitations of developing countries.

NIGERIA recalled that the ToR adopted by the UNGA provided a mandate to include a commitment for mutual assistance relating to tax transparency and information exchange for tax purposes. In relation to calls for capacity-building support, Co-Lead Nuer encouraged delegates to specify what capacity is needed. IRAN recommended establishing a fund to address capacity-building and support information exchange platforms.

IRELAND questioned whether this process is seeking to enhance existing standards in tax cooperation or develop a whole new process and warned that similar problems would arise in establishing a new system or framework for tax cooperation. The AFRICAN GROUP, supported by ATAF, said this process will “develop a new standard, if deemed necessary.”

The BAHAMAS expressed concern that small island developing states (SIDS), despite their sparse resources, “are being forced” to implement new types of taxes and called for Article 6 on mutual administrative assistance to contain a provision for SIDS.

FEMNET stated that “without effective taxation, we cannot commit to the Sustainable Development Goals (SDGs).” She noted that implementing common reporting standards has been very costly for developing countries, and that automatic information exchange “must work for Global South countries.”

Global Impact, speaking on behalf of OPEN OWNERSHIP, proposed changing the title of the article to include “transparency and exchange of information,” and noted that tax evasion now involves house ownership and assets, and underlined that the Framework Convention should therefore require implementation of effective ownership registries. Noting that “trillions have been lost,” the TAX JUSTICE NETWORK looked forward to moving from “a patchwork of reforms” to a unified framework for tax cooperation. They reminded delegates of “the ABCD” of tax transparency: automatic exchange of information; beneficial ownership registration; country-by-country reporting; and disclosure of sufficient public data and enforcement by well-resourced tax authorities. The SOUTH CENTRE supported the call for the implementation of country-by-country reporting to discourage tax avoidance and profit shifting. They highlighted that the convention should take into account existing frameworks but not be bound by them.

DMUN FOUNDATION stressed the need for strict safeguards and specifically confidentiality agreements for information exchanges.

Co-Lead Nuer called on the INC to reflect on discussions to decide on the way forward for this article.

**Article 7 on IFFs, tax avoidance, and tax evasion:** On Tuesday afternoon, 11 November, Co-Lead Nuer introduced this article. Zambia, for the AFRICAN GROUP, supported the text provided, and proposed that Parties should cooperate to address these challenges by developing or “implementing” effective tools for the detection of tax-related IFFs.

INDIA, supported by BELGIUM and AUSTRIA, proposed amending the title to “tax-related IFFs, tax avoidance and tax evasion.”

GUATEMALA supported deleting the term “taxpayer” and replacing it with “contributor,” in the context of information sharing on the structures and techniques to avoid and evade taxes on their income. ESTONIA, AUSTRIA, PERU, NORWAY, SAUDI

ARABIA, and JAMAICA pointed to the overlap between Articles 6 and 7, noting that both address information exchanges. Co-Lead Nuer stated that Member States could decide to combine the two articles.

Several Member States, including BRAZIL, SINGAPORE, SAUDI ARABIA, NIGERIA, and the REPUBLIC OF KOREA, highlighted that the definition of “tax-related IFFs” is critical. JAMAICA, NORWAY, AUSTRIA, SWEDEN, GERMANY, IRAN, and PERU called for clarification on the definition for “tax-related IFFs,” as distinguished from other IFFs, with GERMANY noting the importance of a definition to prevent challenges for legal cross-border financial flows. SWEDEN called for clarity on when discussions on these definitions would be conducted.

BRAZIL suggested including a reference that, in the context of the future Convention, IFFs should be interpreted in a broad sense, encompassing tax avoidance, tax evasion, issues related to customs, among others, and not just tax crimes. BCAS proposed a definition of tax-related IFFs as: “all financial flows related to illegal activities unless such activities are appropriately disclosed and taxes are paid,” noting the importance of linking it to tax aspects. Co-Lead Nuer emphasized the need for standardizing definitions to avoid misinterpretations and misreporting and shared that the INC will allocate time to discuss definitions under this article.

On the *definition of terms*, the Secretariat explained that previous discussions focused on detection of IFFs, noting that this includes the matching of the volume and price data between exporters and importers. She underlined that this issue also touched on standardization under existing instruments, including definitions under the World Customs Organization.

PERU noted that tax-related IFFs, tax avoidance, and tax evasion are treated differently in their country, preferring to exclude reference to tax avoidance and evasion. GERMANY preferred to “address and prevent” tax-related IFFs, tax avoidance, and evasion.

NORWAY noted the article’s links to transparency standards, which, they suggested, could also be included under Article 6. CHINA called to include “internationally agreed” transparent reporting standards to detect tax-related IFFs. SINGAPORE noted that the reference to “transparent reporting standards” is unclear and called for clarification. KENYA and NIGERIA highlighted the need to recognize the rights of the jurisdictions where IFFs occur.

BANGLADESH stressed the need for technical support for developing countries, while IRAN underscored that the effective implementation of tools to detect IFFs, tax avoidance, and tax evasion depends on capacity-building, fair access to data, and digital tools. IRAN noted that cooperation must fully respect confidentiality, data protection, and national sovereignty.

Several Member States, including the REPUBLIC OF KOREA and the EU, emphasized the importance of clearly distinguishing between tax avoidance and tax evasion. The BAHAMAS cautioned against penalizing “tax optimization,” which they noted, is not illegal in most countries, and, in this regard, underlined the need to fully define the “structures and techniques” used by taxpayers to evade and avoid taxes. The EU clarified that tax avoidance operates within legal boundaries and is therefore not illicit, whereas tax evasion involves illegal conduct. In response, Co-Lead Nuer clarified that tax-related IFFs, tax avoidance, and tax evasion constitute three separate and distinct concepts, each with its own specific definition established under the ToR.

In stakeholder statements, Red Latinoamericana y del Caribe por Justicia Económica, Social y Climática (LATINDADD) highlighted the global issue of “tax abuse” by large multinational enterprises (MNEs) and HNIs, characterizing it as a form of “modern slavery” that disproportionately affects countries in the “Global South.” They recommended: focusing efforts on implementing transparent reporting standards; and addressing information exchange provisions in a separate article to prevent duplication.

TRANSPARENCY INTERNATIONAL ZAMBIA called for operational solutions to address IFFs, underlined the need for automatic not discretionary information exchange mechanisms, and, with the TUNISIAN ECONOMICS OBSERVATORY, recommended new articles on a global asset register, and on beneficial ownership transparency; and called for the establishment of a whistle blowers’ protection platform.

Drawing attention to the existing UN definition of IFFs, TUNISIAN ECONOMICS OBSERVATORY called for the development of transparency mechanisms related to IFFs. The SOUTH CENTRE underlined the need for international cooperation to collect data on IFFs. ODI GLOBAL suggested that the article identify cases of “aggressive” tax avoidance and propose ways to combat them.

FFD CHILDREN AND YOUTH CONSTITUENCY, with DMUN FOUNDATION, outlined the impacts of IFFs to children and youth, and called for a clear and elaborate plan to address IFFs, tax avoidance, and evasion. DMUN FOUNDATION underlined the need to address double non-taxation by MNEs.

**Article 8 on harmful tax practices:** On Wednesday morning, 12 November, Chair Youssef introduced the draft text. The UAE, the UK, JAPAN, PERU, and the RUSSIAN FEDERATION questioned the purpose of Article 8 and its relation to existing arrangements. INDIA, supported by JAMAICA, IRAN, SAUDI ARABIA, and CHINA, proposed the text should focus on shared principles and standards, and should refer generally to practices “that erode the tax practices of other jurisdictions” rather than mentioning specific policies. INDIA, IRAN, and TANZANIA asserted that tax competition can be legitimate and should not be undermined by the new Framework Convention. NORWAY commented that the content of “harmful tax practices” is dynamic, highlighting the importance of avoiding a static definition and stating that it is not necessary to deepen this discussion at this time.

On *potential overlaps with other fora*, several Member States, including NORWAY, the REPUBLIC OF KOREA, NIGERIA, GERMANY, MEXICO, and SPAIN highlighted the importance of considering the work done in other fora. The AU said this was already agreed, and the question was how to make it effective. JAMAICA, supported by GERMANY and FRANCE, said attention should be given to what is lacking in existing frameworks.

Co-Lead Nuer reminded delegates that the ToR for this process request countries to discuss harmful tax practices and develop a commitment and requested that any concerns about countries’ lack of capacity to implement commitments should specify the nature of the capacity gap, whether in skills, financing, or other aspects.

SINGAPORE said the provisions interact with those of existing fora, such as the OECD Forum on Harmful Tax Practices and the Country-by-Country Reporting Framework for Tax Purposes. BRAZIL said many countries do not participate in these fora and could benefit from the expanded scope offered by the Framework Convention to create “political momentum” that would help justify

changes in their domestic legislation. MEXICO noted the OECD Forum on Preferential Tax Regimes and the Action 5 transparency framework addressing BEPS have made significant progress in developing countries, resulting in 162 preferential tax regimes being reviewed and the refinement or abolition of some practices.

Several delegations, including the AFRICAN GROUP, IRAN, and MAURITIUS called for a clear definition of harmful tax practices. Co-Lead Nuer said that this was the terminology adopted by Member States during the intersessional period. BCAS proposed clarifying that “harmful tax practices” refer to countries’ practices and suggested mentioning HNIs as well as multinational enterprises (MNEs).

On *recognizing that harmful tax practices undermine the ability of all countries to tax income fairly*, MEXICO, SWITZERLAND, NORWAY, and PERU suggested moving this text to a preambular section, as it was more general in nature. Others, including SAUDI ARABIA, supported retaining this paragraph.

On the agreement that *government tax incentives should be substance-based, linked to investment or performance, and not merely profit-based*, SINGAPORE, SAUDI ARABIA, and ATAF proposed deleting the reference to “profit-based” tax incentives. SWITZERLAND said a profit-based tax incentive may be beneficial if designed to encourage ecological or sustainable behavior. BANGLADESH highlighted that incentives must remain available and noted the importance of focusing on supporting “real investment.” GERMANY highlighted the need for a common understanding of what constitutes tax incentives and what circumstances are considered harmful. BCAS proposed linking tax incentives to local employment generation.

On the agreement to *cooperate in developing effective tools for combating harmful tax practices*, Zambia, for the AFRICAN GROUP, noted that this could include states undertaking “necessary reforms of their tax regimes.” SWITZERLAND proposed “fostering” rather than “developing” effective tools and noted that country-by-country reporting is already in practice. SINGAPORE and ISRAEL proposed “exploring” rather than “developing” tools. SINGAPORE requested replacing a reference to “businesses originating from jurisdictions with harmful tax practices” with “business activities benefiting from harmful tax practices,” to avoid punitive action on legitimate businesses.

Several delegations, including SINGAPORE, CHINA, JAPAN, and the REPUBLIC OF KOREA, requested deletion of a reference to “minimum taxes” as an example of a tool for combating harmful tax practices. SPAIN and NIGERIA requested clarification, with NIGERIA explaining that the intention is to ensure business activities originating from jurisdictions with harmful tax practices are liable or subjected to a minimum rate tax. BRAZIL proposed reordering the text to center international cooperation to address harmful tax practices and called to include language on the “foreseeability” of these practices.

PORTUGAL, ISRAEL, HUNGARY, IRELAND, the NETHERLANDS, and AUSTRIA suggested the text on tax incentives and states’ cooperation was too prescriptive as written and called for this article to better reflect the ToR. The BAHAMAS said the reference implicitly defined low- or no-tax regimes as having harmful tax practice and was discriminatory.

HUNGARY, BELGIUM, the NETHERLANDS, and SWEDEN called to build on existing instruments and approaches. FRANCE called for practical approaches to address these practices, suggesting

that expanding the scope of existing discussions could be helpful. ESTONIA noted that the results of discussions on harmful tax practices under the OECD's [Global Forum on Tax Transparency and Exchange of Information](#) were accessible and could be used by all countries.

KENYA, with RWANDA, noted that not all countries benefit from work under existing fora. TANZANIA said decisions on what constitutes a harmful practice continue to be made in settings where countries, especially those in Africa, have little or no decision-making power. They stated that developing countries legitimately use tax incentives to promote industrialization and job creation.

On a reference to information sharing, CHINA proposed either consolidating it with Article 6 or creating a separate article on this topic.

TJNA, on behalf of the AFRICAN CIVIL SOCIETY GROUP, called for expanding the scope of Article 8 to include “all actors” such as governments, financial intermediaries, and professional enablers. They emphasized the need for mandatory, transparent country-by-country reporting, public transparency on tax incentives, and accountability for evaluating fair contributions. They noted that the global minimum tax rate of 15% is insufficient, calling for higher minimum tax rates to address gender equality and prevent “race-to-the-bottom” dynamics, “especially in the Global South.” They emphasized the need to consider extraterritorial state obligations while defining harmful tax practices, and advocated for transparency processes to be established by a COP.

ATAF noted the challenges faced by countries in exchanging information. They emphasized the need for transparency and for ensuring consistency and avoiding duplication with other articles addressing this issue.

ALTERNATIVE INFORMATION AND DEVELOPMENT CENTRE (AIDC) stressed that MNEs pressure states into a “race to the bottom,” citing the extractive sector, which, they said, should receive special consideration due to its critical impacts on resource loss and environmental degradation. They called for strengthening transparency and aligning Article 8 with climate commitments, for example, by refraining from fossil-fuel tax incentives and applying the polluter-pays principle. They advocated for a separate article to address extractive sector activities and a unitary taxation of MNEs to supplement minimum corporate tax provisions.

ACTION FOR INTERNATIONAL SOLIDARITIES said there is “a new race to the top” for subsidies, explaining that, under [Pillar 2 of Global Anti-Base Erosion Model Rules](#) of the OECD, the use of qualified refundable tax credits will benefit some of the world's biggest commodity traders.

The UN OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS (OHCHR) commented that least developed countries (LDCs) and SIDS must be taken seriously and included in all aspects of the Convention negotiations.

DMUN FOUNDATION noted that preferential tax regimes distort markets and affect small and medium-sized enterprises where most young entrepreneurs operate. The Youth for Tax Justice Network, of behalf of the MAJOR GROUP FOR CHILDREN AND YOUTH, said a narrow focus on MNEs leaves out other critical actors, such as trusts and shell entities, banks, and legal advisors, and called for the article to reflect the full system of actors. They stressed the importance of ensuring accountability, which must be complemented by transparency, including through country-by-country reporting.

On Thursday morning, 13 November, INDIA deemed IFFs “the elephant in the room” and drew attention to the UN Statistical Commission's work on SDG indicators, including measurement of IFFs. She added that IFFs include tax avoidance, which can take place through, for example, tax treaty shopping and aggressive tax planning.

The BAHAMAS called for addressing “tax avoidance” in a separate article, so as to distinguish it from the illegal practice of tax evasion. They noted that “harmful tax practices” previously had been grouped with IFFs, tax avoidance, and tax evasion, but now is addressed separately.

UGANDA suggested State Parties would agree to publish their decisions regarding how certain cross-border matters have been resolved, for the information of other states.

**Article 9 on sustainable development:** On Wednesday afternoon, 12 November, delegates took up discussion of the draft text, which refers to an agreement 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.

The AFRICAN GROUP, INDIA, CHINA, SAUDI ARABIA, BANGLADESH, and IRAN welcomed the draft, while others wished to expand on its provisions.

The UK and the BAHAMAS proposed referencing the polluter pays principle. BRAZIL proposed including key elements of sustainable development, such as domestic resource mobilization and social protection systems. NORWAY called to ensure the overarching importance of sustainable development is recognized. FRANCE emphasized the urgency of working on issues with co-benefits for the environment. MEXICO suggested referring to social protection, noting the importance of the International Labour Organization (ILO) standards in providing clear guidance.

The BAHAMAS, supported by JAMAICA, proposed aligning with other initiatives, such as the [Fund for Responding to Loss and Damage](#), and the International Court of Justice [advisory opinion](#) on the obligation of states in relation to climate change. The BAHAMAS suggested also referencing environmental and carbon taxes.

BANGLADESH stressed that tax cooperation must support the SDGs and can increase domestic resource mobilization. They called for international cooperation to support capacity-building for equitable and inclusive participation, especially for developing countries.

ILO proposed including social protection, noting only 52% of the global population receives social protection, and taxes are essential to close this gap, calling for tax-financed social programmes and social insurance mechanisms to promote formalization and increase revenues.

Greenpeace International, on behalf of the CIVIL SOCIETY COALITION, urged linking financial commitments to fulfilling commitments made by the UN Climate Change COP's commitments. They called for progressive environmental taxation based on the polluter pays principle, especially for MNEs and HNIs, with revenues directed to achieving the SDGs.

The AFRICA ADAPTATION INITIATIVE emphasized that tax systems are not neutral and that the current architecture, rooted in colonial structures, concentrates wealth while depriving women and marginalized communities.

Other civil society organizations called for the text of the article to address gender equality, financing essential public services, including education, health, social security, and environmental protection.

OHCHR noted that a global minimum tax on the world's billionaires could generate USD 250 billion a year to finance sustainable development.

**Article 10 on prevention and resolution of tax disputes:**

Co-Lead Nuer introduced this article on Wednesday afternoon, 12 November. He also presented a comparison of the relationship between this article, Article 20 (dispute settlement), and Protocol 2 (prevention and resolution of tax disputes), noting this could help to provide clarity and promote cooperation on dispute resolution. Patricia Brown, INC Secretariat, presented examples of disputes that could be covered under Article 10, including on cross-border transfer pricing (Article 9 of the [UN Model Double Taxation Convention](#)), and the settlement of domestic tax disputes with cross-border implications. She also presented examples that could be covered under Article 20 of disputes between governments, specifically related to confidentiality of tax information. SWITZERLAND, supported by NORWAY and the AFRICAN GROUP, requested time to reflect on these presentations before engaging in discussions on Article 10.

AUSTRIA and SWITZERLAND called to include references to Mutual Agreement Procedures (MAPs), arbitration, and mediation mechanisms to better link this article to related articles and protocols. INDIA suggested delinking dispute resolution from cross-border investment and trade in goods and services. BRAZIL proposed an additional paragraph to address the role of the UN in dispute resolution.

The INC returned to this discussion on Thursday morning. Co-Lead Nuer reminded delegates that Article 10 is “the foundation” for other provisions and is intended to govern the settlement of disputes between parties arising from the interpretation and application of the Convention and its Protocols. He explained that Article 20, which is yet to be drafted, is about disputes that could arise, and Protocol 2 will provide “the rules.”

Several states supported Article 10 and noted the importance of prevention and resolution of tax disputes that it addresses. However, concerns were raised. The NETHERLANDS said that, as drafted, Article 10 was too specific and could have more high-level language. INDIA, supported by the AFRICAN GROUP, called for specifying the kinds of disputes that will be settled under the Article and the related Protocol.

BANGLADESH stressed that dispute resolution must respect national sovereignty. BRAZIL noted the need for clarity in Article 10's scope. MEXICO cautioned that the text should not impose specific obligations regarding dispute prevention and resolution but rather should indicate a general commitment to these efforts. KENYA stated that Article 10 is “broad enough” and that enforcement rules will be addressed in Protocol 2.

Several delegates, including SPAIN, ITALY, and IRELAND, emphasized the need to have the text of Article 20 to see how it relates with Article 10. IRELAND called for further discussion, supporting a focus on cross-border resolution of tax disputes.

On effective measures for avoiding and resolving tax disputes in support of cross-border investment and cross-border trade in goods and services, Zambia, for the AFRICAN GROUP, and ITALY suggested the text should move to a preamble.

On implementing domestic dispute resolution mechanisms that are fair, independent, accessible, and effective, CHINA, supported by SWITZERLAND, noted that Workstream III reflected broad support for limiting the scope to cross-border disputes, and called for removing the reference to “domestic” mechanisms. POLAND, PERU, IRAN, and the AFRICAN GROUP preferred the text to focus on cross-border disputes.

MOROCCO sought clarification as to whether “implementation of effective measures for avoiding and resolving tax disputes” referred to mechanisms under the responsibility of the tax administration or other mechanisms, such as court procedures. Chair Youssef noted that the text does not specify and could include both. Countering this, JAMAICA said that addressing domestic dispute resolution in the Framework Convention could benefit small states that do not have a large tax footprint, helping them optimize their domestic frameworks. SWEDEN noted that commitment to domestic dispute resolution is difficult, saying care should be taken in drafting language to avoid interference with domestic legislation.

Zambia, for the AFRICAN GROUP, proposed replacing “domestic” with “appropriate” and deleting a mention to “taxpayers and tax authorities.” Chair Youssef said that the scope of cross-border disputes had been discussed, and that the text provided a base for showing that the COP of the new Framework Convention could provide examples of best practice and guidelines.

NORWAY urged greater clarity as to how disputes arising between tax administrations will be addressed. GERMANY said it would be important to tackle the issues in a holistic manner, also considering the domestic implications. The AU noted that the ToR mention disputes generally, emphasizing that resolution of tax disputes improves outcomes in general, underlining the importance of improving domestic dispute resolution mechanisms.

BCAS called for an interpretation of “domestic” dispute resolution mechanism, which they noted could mean “domestic dispute” or “domestic resolution mechanism.” They suggested considering a peer-review for the dispute resolution mechanism to ensure it is fair, independent, accessible, and effective.

The CENTER FOR TRADE POLICY AND DEVELOPMENT called for caution on the introduction of arbitration-style mechanisms under this article, noting that these can “strain sovereignty” in developing countries as well as being extremely costly. They stressed the importance of limiting the scope to dispute prevention, to differentiate this Article from Article 20.

FEMNET underlined that prevention is as important as resolution, underscoring that prevention is far more equitable and less costly. They underscored the need to resolve information asymmetries, which they shared, will help reduce disputes. The SOUTH CENTRE welcomed the examples shared and called for clearer guidance on the scope of this article.

The UN INDEPENDENT EXPERT ON FOREIGN DEBT suggested placing prevention-related provisions in one paragraph and resolution-related provisions in another. She noted the value of including language used in other international treaties, such as “exhaustion of domestic remedies,” to indicate when the proposed text could apply.

**Article 11 on Capacity-Building and Technical Assistance:** On Thursday morning, Chair Youssef gave a preview of the elements that could be relevant when drafting this text to be presented at INC-4. He invited delegates' views on whether capacity-building should be addressed in a stand-alone article, or if specific clauses

should be inserted in other substantive articles, so as to directly link their implementation to capacity-building. The AU noted the crucial importance of capacity-building for effective implementation, and called for consolidating all aspects in Article 11, stating that support “must be comprehensive enough to match the vision.”

On the *organization of capacity-building elements in the Framework Convention*, EGYPT, ZAMBIA, the UK, JAMAICA, SWEDEN, MAURITIUS, SIERRA LEONE, the BAHAMAS, the RUSSIAN FEDERATION, DENMARK, KENYA, IRAN, RWANDA, PERU, SAINT KITTS AND NEVIS, ALGERIA, BRAZIL, TANZANIA, the AU, and ATAF supported having a stand-alone article. EGYPT said this option would provide greater flexibility and freedom for a future COP to identify areas for capacity-building investments. The UK urged Member States to provide support and capacity-building to other jurisdictions. SWEDEN underscored that countries’ needs are very different, and the article should reflect that.

MAURITIUS invited Member States to consider the audiences they wish to reach, noting they could benefit from existing UN capacity-building efforts.

The BAHAMAS supported having a stand-alone clause that encompasses “all topics of the Framework Convention and more” and which is “as wide as possible.” They called on developed countries to support capacity-building in developing countries. INDIA, supported by KENYA, called for having specific clauses tailored to each article and suggested not referring to “developing countries,” but to “any country that might need this assistance and capacity-building.”

Continuing discussions on Friday morning, SWITZERLAND favored additional references to capacity-building in specific articles, such as on the exchange of information.

Several delegates, including INDIA, the RUSSIAN FEDERATION, MOROCCO, ALGERIA, SWEDEN, and the UK, stressed that countries should identify their own capacity-building needs.

ATAF stressed the importance of capacity-building to ensure that parties can implement their obligations under the Convention and Protocols.

KENYA drew attention to the ToR’s reference to institutional mechanisms, stressing the need to ensure Article 11 of the Framework Convention on capacity-building and technical assistance refers to these mechanisms.

RWANDA emphasized the need for a clear framework to coordinate this effort and a clear scope that reflects the needs of Member States and ensures alignment with the Convention’s intended objectives.

PERU highlighted the need for clarity and coherence in linking to the implementation of obligations across the Convention and Protocols; to cover what countries really need, such as skills, technology transfer, and institutional capacity; and to take into consideration existing processes rather than reinventing them.

SAINT KITTS AND NEVIS said capacity-building is essential to ensure the Convention does not reproduce existing inequalities.

BRAZIL emphasized the need for detailed provisions encompassing training, online platforms, legislative drafting support, and information technology (IT) infrastructure. They also asked if capacity-building should be funded separately or integrated into the UN general budget.

The AU called for a dedicated financial mechanism with adequate funding to ensure implementation. They encouraged aligning the new Framework Convention with existing instruments and practices to foster synergies and collaboration.

ATAF stressed the importance of collaboration and coordination with regional and international organizations that are already providing capacity-building.

On the *scope of capacity-building*, Chair Youssef noted possible components could include technical assistance, technology transfer, and training. NIGERIA stated that “capacity” encompasses more than technical skills and includes resources and infrastructure. They cited transfer pricing as an example where developing countries, especially African countries, have the skills but lack access to databases and tools for benchmarking. They emphasized that the focus should be on the resources and tools available to make tax administration more efficient in developing countries.

The RUSSIAN FEDERATION noted that software could be used for automatic exchange of information but cautioned that efforts will be influenced by the availability of appropriate IT hardware, amendments to domestic tax laws to enable a new process for tax administration, and “specificities” of the individual state.

BRAZIL said capacity-building should include assistance to promote tax reforms and technological aspects. SWEDEN suggested that digitalization of tax administration will not only improve administration but also address financial flows, due to a reduced bureaucracy. ESTONIA cautioned that technology in tax administration is tailored to domestic legislation, and noted intellectual property concerns, calling for greater clarity on what is meant by technology transfer in this context.

TANZANIA said capacity-building should include technology transfer, skills, and data management capabilities.

IRAN underlined that the scope should include support for strengthening data and IT infrastructure and long-term human resource development.

WOMEN FOR A CHANGE called for the digital transition to be inclusive and adapted to African states and emphasized the need for ownership of African states over their tax data.

On addressing the *needs of the most vulnerable countries*, delegates recognized that SIDS and LDCs face unique challenges, including limited human resources. BRAZIL proposed establishing a sub-group with representatives of SIDS and LDCs that could outline their needs in an informal paper. Chair Youssef welcomed the proposal. The RUSSIAN FEDERATION noted the differences in labor markets, called for creating appropriate education and training programmes, and emphasized the need to mobilize domestic resources.

LESOTHO, with KENYA and the BAHAMAS, proposed establishing centers of excellence co-sponsored and supported by the UN, suggesting this could be a long-term solution. CHILE suggested creating centers “of access and knowledge” that provide opportunities to countries to consider approaches taken by others and choose what will work in their own situation. They stressed that capacity-building is “a core principle” of the Convention not only for the most vulnerable, but for all countries.

The BAHAMAS, with SAINT KITTS AND NEVIS, said a SIDS center of excellence could support SIDS and LDCs in data collection and storage, and that capacity-building should include support for operational procedures and the publication of manuals.

SAINT KITTS AND NEVIS noted that these centers could offer standardized, specialized trainings for specific elements under the Framework Convention.

EGYPT shared their experiences, noting the high turnover of skilled tax administration officials who, after undergoing capacity-building, would often opt to take jobs in the private sector. They underscored the need for tax administrators to be well compensated and suggested that governments take on the cost of purchasing, upgrading, and maintaining tax collection-related technologies. BRAZIL suggested including a reference to states committing to “adequate compensation levels” for national tax administrators, noting that countries could consider sharing best practices in this regard.

DIAKONIA proposed undertaking a capacity-building evaluation assessment. The SOUTH CENTRE supported the establishment of databases, centers of excellence, and peer learning platforms among countries with similar experiences. The UN INDEPENDENT EXPERT ON FOREIGN DEBT underscored that, for LDCs and SIDS, there is a need to address the challenges wrought by repeated infrastructure destruction through natural disasters and war and conflict. CFS and BCAS offered their experience in designing tax training and providing capacity-building for tax administrators.

On the *role of the Secretariat*, several delegations, including BRAZIL and SIERRA LEONE, supported the Secretariat playing a coordination role. In addition, the RUSSIAN FEDERATION, INDIA, CHILE, and the AU said that the Secretariat should also have a standard-setting role and could facilitate peer learning. CHILE noted that there are existing training centers worldwide, which need to be coordinated and whose quality needs to be assessed, suggesting this could be done by the Secretariat.

CHINA suggested the Secretariat could also be a direct provider of capacity, for example, in assisting countries in their long-term planning to ensure the sustainability of capacity in tax administration. The RUSSIAN FEDERATION noted that direct service provision could require the establishment of substantial support centers, which could prove to be costly.

SWEDEN and SWITZERLAND encouraged delegations to take inspiration from the UN Tax Committee’s capacity-building functions, coordinated by DESA.

BRAZIL highlighted the essential role of the UN in promoting synergies, building complementarities, reducing inefficiencies, identifying best practices, and coordinating with regional organizations to maximize technical support for developing countries.

GUATEMALA emphasized that choices depend on each country’s needs and stressed the importance of regional groups presenting their specific needs in order to determine the Secretariat’s role.

SIERRA LEONE emphasized the role of the UN in creating synergies with organizations such as the OECD and the World Bank, and its role as a facilitator of information sharing. They proposed that the Secretariat serve as a hub on tax cooperation, guaranteeing cooperation and capacity-building while filling critical gaps for the most vulnerable.

SAUDI ARABIA stressed that the Secretariat could serve as a coordinator providing guidance and tools to achieve coherence, as well as providing direct assistance that complements existing fora.

KENYA said the Secretariat could combine coordination with direct assistance, noting that it is crucial to ensure capacity-building.

On the *role of the COP*, Chair Youssef invited comments on what the COP’s rules should be, and how it can be mandated to regularly review not just implementation, but the adequacy and effectiveness of the capacity-building support provided. The RUSSIAN FEDERATION stressed the need for every programme to have a preliminary set of metrics, while acknowledging this can be a sensitive matter.

The Chair then opened the floor for Member States to discuss funding models for capacity-building. NORWAY said capacity-building is an important part of funding and called for a high-level commitment in this regard, for example, by looking into existing funding models to see what is working. SAUDI ARABIA emphasized the importance of reporting by the COP on assistance provision.

### ***Workstream II on Protocol 1 on Taxation of Income Derived from the Provision of Cross-Border Services in an Increasingly Digitalized and Globalized Economy***

On Friday afternoon, Chair Youssef introduced a presentation about work done under Workstream II on taxation of income derived from the provision of services in a digitalized and globalized economy. Workstream II Co-Lead, Liselott Kana (Chile), provided an update on intersessional work, saying that a structure for Protocol 1 has been discussed, and possible approaches have been explored to discern where there are areas of agreement, disagreement, and possible compromises. She announced that, to ensure consistent terminology, a short paper on usage of economic terms and concepts will be available before the next round of negotiations in February 2026. She said discussions on economic analysis are continuing, mainly regarding data issues, and anticipated that modeling of possible approaches will be available by the August 2026 negotiations. Delegates took note of the oral report.

Chair Youssef added that the outline of a proposed “solutions paper” will be discussed at INC-4, based on the June 2025 Issues Note by the Co-Leads.

### ***Workstream III on Protocol 2 on the Prevention and Resolution of Tax Disputes***

On Monday morning, 17 November, Chair Youssef introduced the [Co-Leads’ Concept Note on Ideas for Potential Solutions](#) (A/AC.298/CRP.22). Workstream III was co-led by Marlene Nembhard-Parker (Jamaica) and Michael Braun (Germany).

Co-Lead Braun opened discussion on the second early Protocol on the prevention and resolution of tax disputes. Co-Lead Nembhard-Parker presented on [Workstream III’s work](#), noting that the Committee had a structured list of approaches that could be the basis for a focused discussion.

**Optionality:** Co-Lead Braun invited Member States’ views on optionality, specifically on:

- elaborating a comprehensive menu of mechanisms for prevention and resolution of tax disputes, then identifying core mechanisms available for use by all parties;
- whether the mechanisms should or should not have a superseding effect; and
- how optionality could be operationalized in practice, including through prior opt-in or opt-out declarations, on a case-by-case basis, or through other modalities.

Many delegations supported optionality, including SWITZERLAND, ITALY, the UK, AUSTRIA, PORTUGAL, ISRAEL, RWANDA, the UAE, NORWAY, CHINA, SPAIN, and CHILE. CHINA, with IRAN, said that each dispute prevention and resolution tool and mechanism under the Protocol should be optional, to achieve the widest possible participation. GERMANY proposed applying “various degrees of optionality,” including that the Protocol itself should be optional for parties to the Framework Convention.

Kenya, for the AFRICAN GROUP, noted that optionality is currently at a conceptual stage, and, with FRANCE, BRAZIL, MOROCCO, TANZANIA, the RUSSIAN FEDERATION, POLAND, GHANA, JAPAN, PORTUGAL, NIGERIA, CÔTE D’IVOIRE, IRELAND, BELGIUM, MAURITIUS, the NETHERLANDS, and ALGERIA, supported developing a comprehensive menu of mechanisms for prevention and resolution of tax disputes and subsequently identifying core mechanisms. The AFRICAN GROUP also supported development of a common baseline. SIERRA LEONE cautioned against immediately identifying core mechanisms, underlining that it would be unrealistic to expect all countries to be able to implement them, and highlighting the challenges of “low capacity” states.

The RUSSIAN FEDERATION highlighted the importance of considering the capacities of Member States when elaborating the menu. GHANA stressed that it should be inclusive, equitable and balanced, highlighting the need for coordination with Workstream I to ensure coherence. CÔTE D’IVOIRE highlighted the need to develop further the characteristics, definitions, and scope of the core mechanisms. TANZANIA called for periodic reviews of the core mechanisms. BELGIUM underscored the need to ensure that the core mechanisms are interpreted and applied consistently across jurisdictions. With ALGERIA and ITALY, they stressed the importance of also preventing tax disputes. Co-Lead Braun clarified that the proposal was not limited to dispute resolution but also focused on dispute prevention.

INDIA, with ZAMBIA, MOROCCO, and others, called for the Protocol to consist of “only the core mechanisms,” including a MAP as a core mechanism. They noted that a MAP would be “the simplest mechanism to administer” and advised that provisions to be included in the Protocol should be those that all countries can realistically implement. INDIA cautioned against “overloading” the Protocol with procedures that may not be possible to implement, such as arbitration procedures.

Most countries, including the UK, INDIA, FRANCE, AUSTRIA, MOROCCO, BANGLADESH, SPAIN, the RUSSIAN FEDERATION, POLAND, SWEDEN, JAPAN, CYPRUS, PORTUGAL, CÔTE D’IVOIRE, IRELAND, MAURITIUS, TANZANIA, the NETHERLANDS, and ALGERIA, opposed the Protocol having a *superseding effect on existing arrangements*. ITALY suggested further discussion on whether the provisions of the Framework Convention could supersede existing arrangements, in view of the “special position” of EU Member States, who may require a directive to be made before adopting a common approach. The UAE called to ensure no conflicting effects regarding double tax treaties.

LESOTHO stressed that if the mechanism under the protocol was “an improved mechanism,” it should logically supersede existing mechanisms. SWITZERLAND noted the need to distinguish between situations where: no bilateral treaties exist and where

bilateral treaties exist. On the latter, parties to existing mechanisms would need to add new provisions to their mechanisms; and parties would need to amend or overhaul existing mechanisms. They noted that mechanisms under the Protocol should be applied only after mutual agreement by parties to existing mechanisms. ISRAEL called for further examination of situations without a tax treaty and the meaning of core mechanisms in such cases.

Regarding how *optionality could be operationalized in practice*, the RUSSIAN FEDERATION and BELGIUM noted the importance of allowing states to change positions, particularly with respect to changes in their laws. POLAND and FRANCE supported a case-by-case basis and suggested further discussions on this matter. JAPAN, NORWAY, and IRELAND cautioned that it would increase tax uncertainty. GHANA supported optionality as a tool to respect different levels of tax administrative development, highlighting that it must be designed with precision, so flexibility does not undermine the effectiveness of the Protocol. ITALY preferred a “traditional way” of registering reservations, with NORWAY calling to further explore this point. The NETHERLANDS called attention to the possibility of using different mechanisms depending on the country, for example, with some mechanisms applying between EU Member States and others to non-EU countries.

The UK called for mechanisms under the Protocol to address “gaps in the current system,” and for analysis and research to be conducted under Workstream III. BRAZIL asked if there could be a “statute of limitations” regarding the timespan for dispute resolution. BANGLADESH did not support mandatory dispute settlement processes. IRAN, with SIERRA LEONE, emphasized that arbitration should not be considered a core dispute settlement mechanism due to its high cost, stressing that this should be subject to an opt-in/opt-out modality. GERMANY noted that many states are unsure if arbitration would be included in a MAP mechanism and urged starting work to develop concrete provisions in the Protocol.

The SOUTH CENTRE called for excluding mandatory arbitration from the Protocol, as arbitration remains costly, may undermine nations’ sovereignty, and many developing countries have had negative experiences with arbitration. DIAKONONIA highlighted cases of mandatory arbitration in West Africa, noting this often occurs in the context of extractive resources, and stressed that optionality is not the right approach.

The CATHOLIC COMMITTEE AGAINST HUNGER AND FOR DEVELOPMENT called on Member States to recognize that the current transfer pricing system “is not working” and referred to arbitration as “a very problematic tool” that should not even be considered.

The AU urged developing text instead of only listing options, given the limited time remaining. Regarding what happens after MAPs have been exhausted, he noted that further steps may include mediation and conciliation. He proposed that after the Protocol is elaborated, some “fast-track instruments” could specify how the Framework Convention could interact with other agreements. He noted that, while the ToR specifies an optional Protocol, it could be possible to still introduce “common mechanisms” within its commitments.

ActionAid International, speaking for the AFRICAN CIVIL SOCIETY WORKING GROUP, said that the Framework Convention’s Article 10 (prevention and resolution of tax disputes) and Protocol 2 aim to fix dispute resolution mechanisms rather than

fixing the international tax system. They objected to opt-out clauses as they allow powerful states “to shape outcomes in their favor,” also noting that many disputes arise from transfer pricing that cannot be fixed by a MAP.

ATAF supported optionality and called for the core mechanism of the Protocol to be based on existing practices, including, for example, information sharing, advance pricing agreements (APAs), and joint simultaneous audits.

The INTERNATIONAL CHAMBER OF COMMERCE (ICC) highlighted the need to have a “fully comprehensive” mechanism and called for countries to clearly indicate their positions on operationalization and optionality.

CFS called for incorporating mandatory safeguards and preventing “selective application” of rules, which, they noted, would violate the Vienna Convention on the Law of Treaties and promote “forum shopping.”

**Scope of the Protocol:** On Monday afternoon, 17 November, Co-Lead Braun opened discussions on this issue, specifically calling for a discussion of the definition of “cross-border tax disputes” for the purposes of the Protocol. The Secretariat presented situations where cross-border tax disputes could occur, and three examples of disputes that could occur in a “no-treaty” context, including issues of transfer pricing, a company’s residence, and taxation of dividends. Member States welcomed the Secretariat’s listing of situations that could fall within the scope of the Protocol.

SWITZERLAND, SIERRA LEONE, JAPAN, POLAND, ISRAEL, and SPAIN stressed the importance of having a common legal basis for rights and obligations between the parties to the dispute, noting the need for coordination in situations involving two or more national tax law frameworks that provide taxing rights over the same taxpayer, transaction, or income. ITALY said that, in the absence of a common legal basis, such as a bilateral treaty, the Protocol then could itself become the legal basis for dispute resolution. SINGAPORE encouraged moving beyond technical definitions of “cross-border tax disputes” to focus on no-treaty situations where the Protocol could play a role. PORTUGAL suggested that a common and shared legal basis is not a prerequisite and supported the Protocol itself solving issues that are raised.

The UAE highlighted the issue of double taxation arising from differing applications of the arm’s length principle by tax administrations in transfer pricing adjustments, noting, with SIERRA LEONE, that this principle is subject to varying interpretations and that treaties generally do not address this issue effectively.

POLAND and ISRAEL called for a precise distinction between cross-border and domestic tax disputes and suggested that a cross-border dispute occurs between competent authorities of different contracting states. TANZANIA proposed limiting the scope of the Protocol to situations involving two or more national tax law frameworks providing taxing rights over the same taxpayer, transaction or income, and disputes regarding the interpretation and application of tax-related provisions in bilateral or multilateral instruments by tax administrations, noting that domestic law should apply in no-treaty cases. The UK said the scope should be limited to disputes involving states only.

AUSTRIA and SWITZERLAND suggested considering the question of the Parties to a cross-border tax dispute: whether it should include only disputes between states, or also between a state authority and a taxpayer located in another state. They expressed

preference for the first option. BRAZIL called to also consider whether it is the same or a significantly similar tax being applied in cross-border disputes.

The RUSSIAN FEDERATION underscored the importance of relying on existing instruments regarding double taxation, while citing mediation as an important tool to resolve disagreements on the nature of the dispute. CHINA expressed concern on the creation of a new definition that could be inconsistent with existing treaties and may generate new disputes.

SINGAPORE suggested that a cross-border tax dispute, in the context of a legal framework involving different authorities in two jurisdictions, arises when there is disagreement over the interpretation of the instrument. FRANCE said that a cross-border dispute occurs across two jurisdictions and noted that the Protocol should define whether it would deal with cases of legal double taxation or not.

AUSTRIA called to differentiate between disputes resolved using MAPs, and other issues between tax authorities and taxpayers. With NORWAY, they called for clarifying situations of double non-taxation. BRAZIL suggested also addressing double exemptions.

NORWAY stressed that countries are free to decide on taxation of activities within their territories, which could cause overlaps, and underscored that cross-border disputes occur where there are rules and called to use the term “cross-border issues” in no-treaty situations.

NIGERIA called for discussions on whether there are common tax rules that the Protocol could work under, noting that the arms-length principle cannot operate “in a vacuum.”

Co-Lead Braun observed that so far, there has been “convergence” among delegates that domestic disputes should be excluded from these provisions. He noted that one of the conditions for defining a cross-border tax dispute is indeed the existence of a common legal basis.

GERMANY underlined that there was a need to include no-treaty situations and proposed convening a focus group or task force to determine if guidelines could be created in this matter.

Co-Lead Nembhard-Parker recalled that, over the years, countries have lamented that MAPs are not serving taxpayers, and countries without robust treaty networks do not have a way to resolve their cross-border issues. Drawing on experience of the Caribbean Community’s (CARICOM) double taxation agreement, she explained that the only mechanism for resolving cross-border disputes is to resort to national courts. She highlighted the potential for the Protocol to improve the process for taxpayers by resolving disputes in a timely, efficient, and effective manner.

The AU and BCAS anticipated situations in which the Protocol could serve as the basis for dispute resolution, with BCAS suggesting these could include instances when one country does not provide information as requested, disputes relating to digital service taxes, and disputes relating to [OECD Pillar 2](#) (relating to the Global Anti-Base Erosion Model Rules). BCAS added that the new Protocol should also address disputes arising from unilateral law changes.

Global Policy Forum Europe, on behalf of the GLOBAL ALLIANCE FOR TAX JUSTICE, said the discussion was premature, akin to “fixing the roof before building the house.” They noted there is increasing dispute in the interpretation of taxation principles, such as the arm’s length principle. They called for

developing a new approach, based on “the economic reality” of MNEs operating as unitary enterprises. They urged all concerned to “keep it simple” and adopt a unitary taxation approach.

The GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL, AND CULTURAL RIGHTS lamented that the global taxation system is “fragmented, costly, and skewed in relation to those with resources.” They proposed that applying formulary apportionment would eliminate many disputes and warned that the Protocol risks embedding the current fragmented international tax system, rather than being based on a solid foundation of fair allocation of taxing rights. ATAF opposed extending the Protocol to no-treaty situations, citing the lack of shared legal basis and differing definitions as practical challenges.

The INSTITUTE FOR DEVELOPMENT STUDIES questioned whether the Protocol would apply to bilateral or multilateral instruments with tax provisions, such as airline taxation.

CFS emphasized that dispute resolution must be accompanied by obligations to prevent disputes. They proposed a three-tier legal architecture: mandatory information exchange; proactive cooperation mechanisms, including simultaneous tax examinations; and binding prevention dispute mechanisms, such as bilateral or multilateral agreements on treaty interpretation.

The ICC highlighted that companies experience cross-border disputes with or without treaties, noting that domestic remedies are frequently slow and inefficient, leading to double taxation. They stressed the need for effective frameworks covering both treaty and non-treaty situations, including prevention mechanisms.

Discussions continued on Tuesday, 18 November. On whether the INC should empower the COP to develop and recommend *optional future guidance or best practices on domestic disputes*, NIGERIA, supported by CÔTE D’IVOIRE, INDIA, and IRAN, highlighted that domestic disputes are a matter of state sovereignty and opposed the COP’s attempts to address them. CÔTE D’IVOIRE stated that the role of the COP is not to address domestic disputes, saying it would add another burden and be a “hair in the soup.” INDIA highlighted that the Protocol’s mandate should be limited to international cross-border disputes and that even best practices would infringe on state sovereignty.

BRAZIL suggested adopting a broader approach and indicated that this question could be included in the Framework Convention or the Protocol under mutual administrative assistance. SPAIN supported this suggestion, saying the topic could be addressed through capacity-building measures.

Co-Lead Michael Braun emphasized the potential advantages of addressing domestic dispute prevention and resolution, while respecting states’ sovereignty and underscoring the non-binding nature of future guidance.

AUSTRIA, with FRANCE, BELGIUM, and CHINA, said it is premature to decide whether this topic should be addressed in the Convention or the Protocol, while underlining the need to clarify and define what constitutes a domestic dispute.

Co-Lead Nembhard-Parker clarified that this issue was raised in previous discussions, where numerous countries supported the Protocol covering cross-border disputes, and where some Member States expressed interest in a future COP providing guidance on domestic disputes to assist countries that want to improve their domestic mechanisms. She noted that the Framework Convention covers “all types” of disputes, and this suggestion is therefore not “completely incongruent.”

The RUSSIAN FEDERATION said best practices could serve as a foundation for an optional set of guidelines, while noting the importance of having implementation criteria.

FRANCE, echoed by BELGIUM and CHINA, stated that the INC should focus on the essential work of the Framework Convention and the Protocol, and that the topic of domestic disputes could be addressed later.

NIGERIA drew attention to existing efforts through other fora to support countries in their domestic dispute resolution systems.

Chair Youssef suggested that an alternative could be to address this issue alongside capacity-building, noting that the COP could then develop optional guidelines, tailored to each country’s needs on a case-by-case basis and upon request.

The INDEPENDENT EXPERT ON THE EFFECTS OF FOREIGN DEBT suggested developing a glossary of key terms, including the definition of domestic dispute resolution. She called for the INC to consider an additional question: how the Protocol will address countries in special and fragile circumstances, such as those in conflict.

BCAS suggested having two “baskets”: the first, which should be prioritized, specifically addressing developing countries’ taxing rights and why the existing framework is not working; and a secondary one, addressing domestic dispute resolution.

**Dispute prevention:** On Tuesday, 18 November, Co-Lead Nembhard-Parker called for discussion on whether and how the Protocol should provide a legal basis for cross-border administrative cooperation in tax dispute prevention, and what preventive mechanisms should be addressed by such a legal basis. She also called for comments on whether the Protocol should address prevention through the capacity-building article and the possible development of best practices by the COP in this regard.

Most delegations supported the Protocol providing a *legal basis for cooperation in dispute prevention*. SINGAPORE, with the UAE, saw a role for the Protocol to provide a legal basis in matters such as APAs, joint audits, and simultaneous examinations, but underlined the need to clearly define the scope of the Protocol to avoid infringing on national tax treaties and existing mechanisms. They called to explore bilateral APA-like mechanisms for non-transfer pricing matters to provide certainty to taxpayers.

Stressing that it is “better to prevent the fire than quenching it,” ZAMBIA highlighted that APAs are complex and noted that joint audits require extensive cooperation between parties. BANGLADESH called for cooperation and a mechanism to build capacity for revenue authorities to enhance cross-border audit capabilities, access to real-time financial data analytics, and investment in digital audit systems. PORTUGAL and ALGERIA underlined the need to explore a legal basis for some cross-border situations, noting the need for more discussions on the role of the COP.

FFD CHILDREN AND YOUTH CONSTITUENCY called for a focus on preventing revenue losses in the first place, rather than focusing on dispute resolution.

PUBLIC SERVICE INTERNATIONAL (PSI) supported having a legal basis for dispute prevention, calling to transition to rules that narrow interpretation gaps, and underlining the need to “redesign the house so it does not keep catching fire.”

Most countries favored *capacity-building to support dispute prevention*. The RUSSIAN FEDERATION called for the development of best practice guidance on this. SINGAPORE

supported sharing experiences, knowledge, and best practices. ZAMBIA called for capacity-building to upskill low-capacity states in negotiating APAs. CHILE and GERMANY underlined the importance of capacity-building for dispute prevention and supported a role for the Secretariat in this regard. The SOUTH CENTRE noted the opportunity to increase access to dispute prevention tools. NORWEGIAN CHURCH AID ADVOCACY PROGRAMME FOR AFRICA underlined the need for transparency to bolster dispute prevention, calling for this to be integrated in the development of preventive mechanisms.

Co-Lead Nembhard-Parker noted the broad support for a legal basis to support dispute prevention and capacity-building.

INTERNATIONAL DEVELOPMENT INSTITUTE asked if it would be possible to provide a legal basis for APAs in a “no-treaty” context. Co-Lead Nembhard-Parker responded that where the legal basis for APAs does not already exist in domestic tax law, then Protocol 2 itself would provide this legal basis.

The Institute of Social and Economic Rights, on behalf of the GLOBAL ALLIANCE ON TAX JUSTICE, said the transfer pricing system is a key source of the problems to be resolved, called for replacing it entirely and moving to a global minimum tax with formulary apportionment.

BCAS and ICC favored providing a legal basis for cross-border tax administrative cooperation. BCAS stated this should be optional so that countries’ sovereignty is maintained.

**Resolution of tax disputes:** Co-Lead Braun then invited views on:

- the proposed approach of reinforcing MAPs through both the Protocol and best practices;
- possible design features of the Protocol’s MAP provision;
- having arbitration and other mechanisms, such as mediation or conciliation, as optional tools in the Protocol, and their possible design features; and
- a possible role for the UN in supporting these resolution mechanisms.

Co-Lead Braun noted that Member States had expressed diverging views on these issues, and that the intent was to set these out as optional tools. He highlighted the value of considering the potential role for the UN in facilitating MAPs, whether on a permanent or an ad hoc basis.

The RUSSIAN FEDERATION proposed prescribing time limits or stages for all MAPs, including confirmation that requests have been received, exchanges of memoranda, presentations of initial positions, and resolutions of the dispute by key points within the allocated time span. While not favoring arbitration, they supported the UN playing a role in providing administrative support, document translation, and expert opinions to support MAPs.

Nigeria, for the AFRICAN GROUP, affirmed the value of MAPs monitoring by a UN body, suggesting that the Secretariat could play a key role in ensuring processes are accessible and efficient. They opposed “any form of arbitration,” stating that previous negative experiences were not due to lack of capacity, but because rulings “have always been skewed unfairly against developing countries.”

Co-Lead Braun clarified that the proposal is for the Protocol to include arbitration “on an equal basis,” and that arbitration would remain optional.

INDIA said that “when properly designed,” MAPs can contribute to cooperation among tax authorities and foster constructive dialogue, noting that only 4% of MAPs have concluded without

agreement. They called for complementary capacity-building measures, and did not favor arbitration, noting that the approach is “disadvantageous” when applied to countries without similar resources.

The UK favored optional arbitration as an opportunity “to ensure MAPs are more responsive and effective.” They said the UN could provide guidance and support, including, perhaps, by appointing arbiters, and stressed that arbitration should remain “completely optional.”

SWITZERLAND affirmed the value of MAPs as the only way to ensure corresponding treatment between countries. They suggested that MAPs in the UN Model Double Taxation Convention could cover other tax treaties, and an opt-in mechanism could apply. They noted the potential for developing rules of procedure and identifying a suitable panel of arbiters with relevant experience and language skills, well before disputes occur.

Several countries, including BRAZIL, KENYA, FRANCE, BANGLADESH, JAPAN, ALGERIA, ZAMBIA, ITALY, CHILE, GERMANY, and IRAN, supported the proposed approach of reinforcing MAPs through both the Protocol and best practices to make it more effective and accessible.

KENYA supported reinforcing MAPs with transparency and information-sharing features. BRAZIL emphasized the importance of developing clear timelines, better information sharing, and addressing root causes.

AUSTRIA noted significant progress in existing resolution mechanisms, proposed using UN and OECD models as starting points for drafting legal provisions, and emphasized the use of best practices to make MAPs more accessible.

FRANCE supported capacity-building and prevention mechanisms, such as MAPs, cautioning against duplicating work done by other fora and suggested identifying gaps first.

BANGLADESH supported MAPs to ensure equitable and accessible dispute resolution mechanisms, and called for simple, time-bound, and cost-effective processes. They emphasized the need for capacity-building in tax administrations in this regard, while stressing that it should reflect developing-country realities.

ZAMBIA fully supported reinforcing MAPs as an inclusive, collaborative, and responsive core mechanism, especially to address resource constraints and capacity limitations.

ITALY cited the MAP as an effective tool for resolving disputes, noting that including it in the Protocol could improve dispute resolution, especially for countries without this provision in their treaties.

On the *role of the UN in supporting the operation of resolution mechanisms*, BRAZIL said it could support capacity-building, technical assistance, and neutral coordination, and suggested reinforcing the role of the UN Committee of Tax Experts. ALGERIA supported the UN’s role in capacity-building and in non-binding consultations and emphasized its role in ensuring good-faith implementation and follow-up coordination of MAPs. ZAMBIA suggested the UN could conduct regular reviews of Member States’ MAPs implementation. ITALY proposed exploring an UN-based advisory group. IRAN emphasized the UN’s role in facilitating cooperation, technical assistance, and neutral coordination while remaining non-binding and respecting sovereignty.

**Arbitration and other mechanisms aimed at settling disputes:** On Tuesday, 18 November, KENYA, ALGERIA, ZAMBIA, IRAN, and others opposed arbitration as an optional

dispute-resolution mechanism in the Protocol. ZAMBIA cited past arbitration experiences that have not been favorable or satisfactory. IRAN strongly opposed arbitration or similar mechanisms, saying arbitration limits tax sovereignty.

FRANCE cited arbitration as a “promising” option and said it has been explored in other branches of law, demonstrating neutrality and objectivity, and suggested “thinking out of the box,” noting that it would be worth further discussion. ITALY advocated for strengthening dispute resolution mechanisms in the Protocol through arbitration, especially to eliminate double taxation.

Others emphasized the optional nature of arbitration. CHILE underlined making future options including arbitration as optional and highlighted the UN Secretariat’s relevant role in dispute settlement and prevention.

JAPAN suggested arbitration, mediation, and conciliation as alternatives and proposed coordination with other fora to address resource capacity limitations and reduce the burden on tax administrations.

GERMANY advocated that arbitration be optional for states, noting the importance of ensuring it is designed inclusively and transparently, including through the publication of abstracts. They suggested implementing opt-in/opt-out mechanisms and ensuring inclusive panel composition and women’s participation. They also suggested that the UN could host a permanent forum for available arbitrators to build trust among countries.

Discussions continued on Wednesday, 19 November. LATINDADD opposed arbitration mechanisms, whether optional or mandatory, citing concerns about national sovereignty, high costs, lengthy procedures, lack of transparency and impartiality, and systemic bias favoring stronger parties and multinational corporations, especially in Latin American countries. They stressed the importance of dispute prevention and called for robust frameworks that ensure tax transparency through single taxation and country-by-country reporting.

Citing an arbitration case between Singapore and the UK over a coal mine application, WAR ON WANT stressed that arbitration undermines sovereignty, fragments legal systems, and creates chilling effects on climate policy, while calling for developed and developing countries to reject arbitration as a tax dispute settlement mechanism. They urged delegates to build “a bold new global tax system” that addresses inequalities, taxes the super-rich, funds sustainable development and climate action, and distributes resources between the Global North and the Global South.

The UN INDEPENDENT EXPERT ON FOREIGN DEBT drew attention to the confidential nature of arbitration, inability to establish legal precedent, and accessibility concerns, emphasizing access to information as a human right. She further questioned the argument that arbitration is a faster dispute-resolution mechanism, saying it takes as long as domestic procedures. She mentioned existing UN dispute resolution mechanisms such as the Permanent Court of Arbitration and the International Court of Justice and suggested considering these experiences while ensuring that arbitration is accessible and balanced, with representation across all countries and groups.

The AU supported reviewing existing frameworks for efficiency and information sharing but opposed including arbitration as a core or an optional mechanism. PSI argued against focusing on dispute resolution mechanisms, advocating instead for upstream prevention through corporate tax reform, clearer rules, transparency measures,

including country-by-country reporting, and the determination of beneficial ownership. They emphasized prevention, treating the “cause” rather than the “symptoms.”

ICC called for consideration of arbitration and other alternative dispute resolution mechanisms, noting differences between tax and commercial and investment arbitration. They cited the Chamber’s experience in this field and proposed sharing lessons from these other contexts where transparency, fairness, and trust concerns have been addressed, encouraging dialogue on those lessons.

The INTERNATIONAL BUREAU OF FISCAL DOCUMENTATION encouraged exploring optional mechanisms enhancing dispute resolution, including arbitration with transparency and fairness modifications. They supported the development of tools for experience building, including the creation of committees of practice and rules of procedure, helping developing countries gain MAP experience, and resolving problems in a timely manner.

DMUN Foundation, on behalf of the FFD CHILDREN AND YOUTH CONSTITUENCY, emphasized that delays impact children and youth, especially those affected by war, displacement, and inadequate services. They demanded inclusive participation and cooperation beyond high-profile negotiations and urged immediate action to build more equitable tax systems in which every country can engage effectively.

BCAS called for the Protocol to include time-bound dispute resolution. While not supporting arbitration, they suggested that other dispute mechanisms could be included on an optional basis, stating that disputes are best resolved by negotiations.

Co-Lead Braun affirmed that mediation and conciliation are included as optional tools.

ATAF emphasized that: MAPs should remain “the core mechanism” for resolving cross-border tax disputes; transparency and timeliness of MAPs should be improved; and countries need to build experience in this area. They affirmed the importance of capacity-building and sharing of best practices to help countries in implementation. They opposed including arbitration in the Protocol, noting issues around transparency, cost, and power asymmetries, and welcomed exploring other tools, such as mediation. They suggested the UN’s role could include establishing panels for resolving disputes and coordinating activities around dispute resolution within the framework of MAPs. They further called to ensure that regions are fairly represented, to ensure inclusivity.

The SOUTH CENTRE supported improving MAPs and making them more accessible to countries. They preferred excluding arbitration, mediation, and conciliation from the Protocol, saying that experience shows arbitration is costly and is dominated by a few jurisdictions, while the efficacy of mediation and conciliation is as yet unknown. They supported the UN’s role in establishing a forum that would issue MAP statistics and similar information.

CFS said that “good faith negotiations” should mean that states favoring arbitration should consider modifying their positions, given the strong opposition by other countries. Warning against reproducing investor-state structural biases within the current arrangements being negotiated, she encouraged applying “interpretive principles” to address these issues.

**Access to information, specifically related to transfer pricing databases:** On Wednesday, 19 November, Co-Lead Braun summarized that there was broad support for improving access to transfer pricing databases, while noting concerns regarding feasibility and cost. He then invited delegates’ perspectives on

governance arrangements of a potential UN-managed transfer pricing database, and whether other types of databases could be considered, including, for example, compilations of APA cases.

On possible governance arrangements of such databases, the UAE expressed support for any arrangement that would support data comparability. Regarding bilateral APAs, they suggested that data sharing may encourage more countries to adopt APAs. Given that MAPs are based on particular facts and circumstances of each case, they asked what arrangements could be made for confidentiality.

ITALY proposed building on existing arrangements, given the high cost of building new databases. With many others, including NORWAY, they called for confidentiality and data protection.

NIGERIA called for focusing on relevant structures to manage each of the processes from the Framework Convention and Protocols and proposed discussing the role and mandate of governing bodies under the Convention rather than under this Protocol.

Chair Youssef affirmed that these discussions under the Protocol are appropriate, noting that, once a conclusion is reached, countries may coordinate to see how the issue may be addressed under the Framework Convention.

NORWAY suggested exploring the cost-benefit that would be achieved by enabling comparability of cases. FRANCE called for identifying relevant databases and the problems encountered by states when using them, so as to make improvements. On cost concerns, they suggested the UN could purchase licenses to existing databases. They did not support considering other types of databases, such as compilations of bilateral APAs or MAP cases, explaining that each case is different and may not be applicable to other situations. Furthermore, they noted that databases may become quickly outdated, unless regularly monitored and updated.

PORTUGAL called to provide access to the databases to low-capacity countries. They called to explore pooled purchasing or coordinated arrangements, for countries to collectively negotiate reduced cost subscriptions to existing databases.

SINGAPORE supported France's comments on the transfer pricing databases and called for a cost-benefit analysis on the utility of such databases.

The RUSSIAN FEDERATION raised questions on associated financial implications, calling for pooled, voluntary and enterprise contributions to address the financial implications. They noted that the operation of the databases should be done by the UN to ensure easy access. They also underlined that states are the providers and users of data, noting that they could provide anonymized data, with states determining the right of access to the databases and all states having equal access rights. On data confidentiality and integrity, they noted that, where information is more sensitive, there is a need to implement stringent access procedures to protect anonymized data. They favored a database aggregating high-level information on APAs and MAPs under the UN. Co-Lead Braun registered concerns on the utility of transfer pricing databases and questioned whether there is a way to improve the current system.

CHINA, supported SINGAPORE and NORWAY, underlined that establishing a new database is challenging, noting it is more practical to consider alternative arrangements for accessing existing databases. CHINA noted that cases are settled on a case-by-case basis, stressing non-disclosure agreements in the negotiations of APAs and MAPs.

INDIA called to broaden access and reduce inequalities in access to information on transfer pricing. They noted the strict firewalls that prohibit sharing protected data related to APAs and MAPs.

IRAN did not endorse a UN-managed database containing confidential data on APAs and MAPs.

ZAMBIA supported efforts for an accessible transfer pricing database, took note of the proposed approaches including pooled purchasing of a database, which could be more cost effective. They underlined that a transfer pricing database will not solve all the challenges if there is only limited data, especially data from Africa, which causes challenges for benchmarking. They called for a focus on enhancing transparency, and ensuring data is available from all jurisdictions.

ALGERIA underscored the importance of access to data, lamenting the exorbitant costs of accessing existing databases and supported Russia's proposal for establishing a database under the UN. They called to take into account the support required by African countries to access these databases. KENYA emphasized that the existing databases are skewed towards a particular region making it difficult to get comparable data from other regions. They underlined the need for access to databases for developing countries and noted that it would be difficult to include bilateral APA data due to confidentiality agreements.

UGANDA, KENYA, and SIERRA LEONE supported creating a UN-managed database, calling to also include information on court decisions on tax disputes.

MOROCCO highlighted the critical importance of addressing information asymmetries through a UN-managed database designed to be sustainable, effective, and accessible. They emphasized the need for quality control and verification, saying it should have a technical advisory committee and should include confidentiality measures, including data anonymization and user confidentiality agreements.

ALGERIA stressed that confidentiality is crucial to ensure compliance and access to data while respecting it. BCAS supported exploring a UN-managed database that will ensure data security and confidentiality. They called for taxpayer approval before sharing data and ensuring APAs and MPAs comply with domestic laws while only sharing principles or core issues without revealing business secrets.

THIRD WORLD NETWORK noted that tax authorities need to deal with complicated transfer pricing methodologies and new technologies, including intangible property and royalties. They said that in the digital economy, "data is the new oil," and advocated for a unitary tax system.

ATAF identified information asymmetries as a critical challenge requiring effective information exchange through country-by-country reporting and robust domestic transfer pricing documentation rules. They welcomed the UN's role in hosting a centralized database.

IATA warned that sensitive commercial information could cause significant harm if disclosed, and called for transparent governance on which information will be included, who will have access, and what safeguards will prevent misuse, to maintain taxpayer confidence and compliance.

The SOUTH CENTRE supported database access for all members to be able to compare information on transfer pricing and reduce disputes, while calling for safeguards to protect confidentiality, integrity, and anonymization.

The AU stated that access to information is crucial for case management, dispute prevention, and resolution, noting that over 50% of cross-border disputes involve transfer pricing. They called for detailed tax rules enshrined in protocols to minimize disputes, making data open where possible, including country-by-country reporting, while being mindful not to constrain future protocols on exchange of information.

YOUTH FOR TAX JUSTICE NETWORK welcomed the idea of an UN-managed database as integral to effective tax governance and international cooperation. Regarding financial implications, they said Member States could explore various financing options, including hybrid financial models and cost-sharing with regional tax organizations. They raised key questions about: management and division of responsibilities; the opportunity to establish an independent advisory panel to ensure neutrality and regional co-chairing; the COP's role in consultation and management of the database; and how to reconcile, data governance, transparency, accessibility for the "Global South," information asymmetries, and confidentiality, among other considerations.

### ***Closing Plenary***

On Wednesday, 19 November, Chair Youssef expressed appreciation for Member States' and stakeholders' dedication and collaborative spirit, noting this marks an important moment in the process. He highlighted that, despite the complexity of international tax cooperation issues, delegates are striving for a common understanding, noting that the process remains on track to finish within the agreed nine-session timeline. He noted that comments could be submitted until 5 December 2026 in the form of drafting text. He reaffirmed that inclusivity remains at the heart of the process, with developed and developing countries participating "on equal footing."

Thanking everyone for their contributions towards a fair and effective international tax system, he closed the meeting at 12:43 pm.

## **A Brief Analysis of INC-3**

### ***Taxation and Sustainable Development***

Many governments lack the resources needed to fight poverty and the impacts of climate change. Healthcare, education, and other social services are severely under-funded. Even in the world's wealthiest countries, many people face cost of living pressures, rising healthcare costs, and lack of affordable housing. Development financing faces a shortfall of USD 4.2 trillion annually, according to the UN Financing for Sustainable Development 2024 report.

At the Fourth International Conference on Financing for Development (FfD4) in June 2025, countries pledged to scale up support for domestic resource mobilization, including support for broadening tax bases. The Sevilla Commitment, adopted at the Conference, reaffirms countries' commitment to achieving the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) and makes no fewer than 42 references to taxation issues. The Commitment recognizes the need for inclusive and effective international tax cooperation, including measures to prevent and combat tax evasion, illicit financial flows, and corruption, and acknowledges that existing international tax rules "do not fully respond" to the needs of developing countries.

The current negotiations on a new Framework Convention on International Tax Cooperation and two early Protocols put flesh on the bones of these commitments. Terms of reference for the negotiations, adopted by the UN General Assembly at its 79th session in 2024, provide a strong mandate for a fairer and more inclusive tax system worldwide.

The third meeting of the Intergovernmental Negotiating Committee (INC-3) made firm steps toward building the new Framework Convention. INC-3 also showed the large distance yet to be bridged between countries. This brief analysis first characterizes the nature of that in-between terrain and then identifies issues that will be key to successful development of the Convention and its Protocols.

### ***Mapping the Terrain***

INC-3 reviewed draft text of several articles that make up the Framework Convention, including articles on: the fair allocation of taxing rights; high-net-worth individuals (HNIs); mutual administrative assistance; illicit financial flows, tax avoidance, and tax evasion; harmful tax practices; sustainable development; and the prevention and resolution of tax disputes. INC-3 also presented progress made during the intersessional period toward a Protocol on taxation of income derived from the provision of cross-border services in an increasingly digitalized and globalized economy (Protocol 1) and discussed elements of an early Protocol on prevention and resolution of tax disputes (Protocol 2).

Discussions on the draft articles of the Framework Convention highlighted the general polarization of positions between some developed and developing countries. Existing tax norms allocate greater taxing rights to "residence" countries, where multinational enterprises are headquartered, over the rights of "source" countries, where they conduct activities. More than one delegate pointed out that these rules have their roots in colonial times, when many of the countries in the room were not sovereign states. Many countries want taxing rights to better reflect the contributions of source countries in creating value—but discussions floundered over terminology.

Questions over how one may define "market location" in the context of digital services or identify a place "where value is created" took up much negotiation time. African nations, including Zambia, and many civil society organizations frequently called for not losing sight of the big picture: the need to correct structural and historical inequalities, while ensuring that tax policy reforms do not shift burdens to the poorest. Between the high-level purpose of the INC and the need to ensure implementability of this new agreement, remains a large middle ground of commitments that are yet to be defined to the satisfaction of all Member States.

**Efficiency versus sensitivity:** One major sticking point at INC-3 was the need to avoid duplication and overlaps with existing international tax policy reforms, particularly those developed by the Organisation for Economic Co-operation and Development (OECD) over many years. Pillar 1 of the OECD's tax reform package addresses profit allocation rules for companies (thereby allocating countries' taxing rights) and Pillar 2 sets a minimum tax rate of 15% in every jurisdiction where companies operate. Both Pillar 1 and 2 provisions apply only to the largest multinational companies. Around these two pillars are agreements that support implementation, such as the OECD Convention on Mutual Administrative Assistance in Tax Matters (MAAC).

Several delegates at INC-3 considered it beneficial to improve existing frameworks and avoid developing new arrangements from scratch, risking duplication and overlap. Provisions for information sharing between countries, for example, have already been developed under the MAAC. For others, though, the lack of inclusivity in setting these arrangements still rankles, such that these policies, and the experience of implementation, are not sufficiently informing the negotiating process.

At INC-3, some participants believed that discussions often descended to an unnecessary level of detail, given that models for international tax cooperation already exist in both OECD policies and UN models and benchmarks. As a delegate noted the day after a protracted discussion on the meaning of “illicit financial flows,” SDG target 16.4 already provides a definition and comprehensive commentary on the concept. Concluding one such session, a delegate quoted a German expression, with a touch of sarcasm: “Why make it simple, when you can make it complicated?”

**Lack of capacity or lack of access?** A major element of the Framework Convention is capacity-building. While all were supportive, negotiations ran into difficulties over whether capacity-building can make up for the lack of access to information that is needed to identify base erosion and profit shifting (BEPS) practices. This issue recurred repeatedly, not only in the context of Article 11 on capacity-building (which is yet to be drafted), but also in negotiations around mutual administrative assistance and illicit financial flows.

Capacity-building, some developing countries argued, is not only about acquiring new skills. It is also action to “rebalance the system” and ensure the Convention does not reproduce inequalities of the existing framework. African countries called to address information asymmetries through information sharing and access to databases on transfer pricing and high-level information on bilateral Mutual Agreement Procedures (MAPs), which, they argued, could help inform their own policies and actions. Many others, however, were hesitant, warning of the need for data protection and confidentiality.

**Managing disputes versus maintaining sovereignty:** MAPs are at the heart of the Protocol on dispute prevention and resolution. In this context, arbitration, proposed as part of a menu of approaches to dispute resolution, emerged as the most divisive issue of all. Developing countries complained, sometimes bitterly (“We’ve had our hands severely burned,” said one), that previous rulings have been biased against them. Some European countries, on the other hand, preferred mandatory arbitration to be part of MAPs.

Insiders noted that opposition to arbitration stems from past negative outcomes in investor-state dispute settlement procedures, a different kind of process than the MAPs being proposed under the Protocol. MAPs are a diplomatic process, not a legal one; they may set norms and benchmarks but not enforce them.

Given the sensitivities over arbitration and other dispute resolution methods, the solution supported at INC-3 was optionality. The terms of reference for this process already allow for optional protocols, so Member States need not adopt Protocol 2 at all. For those that do, everything on the dispute resolution menu can be optional. Some countries’ experience with arbitration has shown that, where arbitration is undertaken, the process is expensive, may take years, is subject to many delays, and is generally lacking in transparency and impartiality. To address these concerns and build trust among countries, some suggested the UN could provide a list

of independent arbitrators that are regionally representative, and gender balanced.

What is the point of a multilateral agreement, if all its provisions are optional? This question was left hanging by delegates at INC-3. Many countries expressed concern that dispute settlement and other provisions currently under negotiation may impinge on national sovereignty, for example, regarding information sharing for the recovery of tax debts. In practice, the new arrangements under the Framework Convention and Protocols may only apply to countries that have not already negotiated bilateral treaties—so may not deliver the unified framework that countries anticipate.

### **Challenges and Opportunities for Success**

**Managing special cases:** A strong multilateral framework helps prevent a “race to the bottom” whereby countries compete to offer more favorable low- or no-tax incentives to investors, for example, in extractive industries that create long-term environmental harm without necessarily delivering lasting benefits for citizens. However, the INC will also need to consider how to allow for special cases. Some countries offer beneficial tax arrangements and citizenship privileges as part of their economic model; in the case of small island developing states, there may be few good alternatives—a concern raised at INC-3. The Bahamas, for example, complained of potentially “discriminatory” treatment under Article 7 on illicit financial flows, tax avoidance, and tax evasion, and worried about the implications of criminality associated with legitimate financial services.

Companies that by their nature conduct business in multiple countries, such as the airline industry, are also watching this process closely. If new taxes are imposed at every destination, the cost of plane fares may no longer be viable for most consumers. Some exceptions and special provisions would need to be made.

**The Group of 77:** Despite the seemingly polarized positions between some African and European nations, G-77 countries also come from different perspectives. Many of the wealthier countries already have well-established treaty networks. They are less concerned about past experiences of exclusion, and more concerned about contributing to shaping emerging norms. India, for example, is both an importer and exporter of digital services. The future Protocol on taxation of digital services is one that they would meaningfully shape. The United Arab Emirates is currently rewriting its tax code to align with OECD standards, given the importance of foreign investment to its economy and the ongoing need to build investor confidence. There are many other such examples of developing countries who seek alignment with international norms, but not blindly.

### **Bridging Tax Policy and Sustainable Development**

Most negotiators in this process come from tax authorities; they are legal and policy experts in international tax law, not sustainable development advocates. This may partly account for why discussions at INC-3 often descended into granular detail, when “it’s not necessary to solve every problem in advance,” as one tax researcher noted. Negotiators themselves acknowledge that some broadening of perspective could be helpful in meeting the aim of financing sustainable development, the *raison d’être* for this process. “It’s just not our area of specialty,” one tax lawyer said of the Convention’s purpose. Noting this gap, one delegate from civil society urged Member States to include environmental and

sustainable development experts on their delegations, saying the Committee is not just a technical tax negotiation but is also making choices that will ultimately address the climate and inequality crises.

At this meeting, civil society organizations sought to keep the process true to its sustainable development roots. Many are associated with tax justice campaigns and are exultant that this process is underway at all, given the usual glacial pace of international negotiations. “People said it would be a couple of decades before this issue is taken up, and yet, here we are,” said one.

At INC-4 and beyond, delegates will need to bridge the current gap between high-level principles and implementability. They will also need to find sufficient common ground under Protocol 2, so that its provisions can apply, if not across the board, then at least to a meaningful extent. In this, the spirit of openness and collegiality that prevailed at INC-3 offered grounds for optimism.

As the international community moves forward with negotiations on the Framework Convention and its Protocols, Chair Youssef praised delegates for working in a spirit of inclusivity and participation, with all countries operating “on equal footing.” He expressed hope that future meetings will continue to build upon this foundation of mutual understanding, ultimately delivering a more equitable and effective global tax system that serves the interests of all Member States and stakeholders.

### Upcoming Meetings

**G20 Leaders’ Summit:** The G20 is an international forum of both developing and developed countries which seeks to find solutions to global economic and financial issues. The G20 comprises 19 countries including: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russian Federation, Saudi Arabia, South Africa, Türkiye, UK, and US, and two regional bodies, namely the EU and the AU. The role of the G20 in creating the foundation for global economic stability, a vital catalyst for economic development and implementing consequential global commitments. **dates:** 22-23 November 2025 **location:** Johannesburg, South Africa **www:** [g20.org](https://www.g20.org)

**INC-4:** The fourth session of the Intergovernmental Negotiating Committee to develop a Framework Convention on International Tax Cooperation is set to continue discussions on elements of the Framework Convention and two early Protocols. Delegates are scheduled to consider draft text at this meeting. **dates:** 2-13 February 2026 **location:** UN Headquarters, New York **www:** [financing.desa.un.org/unfcitc](https://financing.desa.un.org/unfcitc)

**32nd Session of the Committee of Experts on International Cooperation in Tax Matters:** The Committee is a subsidiary body of ECOSOC, and is mandated to, *inter alia*: keep under review and update the UN Model Double Taxation Convention between Developed and Developing Countries and the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries; consider how new and emerging issues could affect international cooperation in tax matters and develop assessments, commentaries and appropriate recommendations; and make recommendations on capacity-building and the provision of technical assistance to developing countries and countries with economies in transition. **dates:** 23-26 March 2026 **location:** UN Headquarters New York **www:** [financing.desa.un.org/events/32nd-session-committee-experts-international-cooperation-tax-matters](https://financing.desa.un.org/events/32nd-session-committee-experts-international-cooperation-tax-matters)

**G7 Summit 2026:** The G7 Summit is an international forum held annually for the leaders of the G7 member States of Canada, France, Germany, Italy, Japan, the UK, and the US. Represented jointly by the President of the European Council and the President of the European Commission, the EU participates in all discussions as a guest. The role of host, known as the G7 presidency, rotates annually among member countries. **dates:** 14-16 June 2026 **location:** Évian, France **www:** [elysee.fr/emmanuel-macron/2025/06/17/annonce-du-prochain-sommet-du-g7-a-evian-du-14-au-16-juin-2026](https://elysee.fr/emmanuel-macron/2025/06/17/annonce-du-prochain-sommet-du-g7-a-evian-du-14-au-16-juin-2026)

**INC-5:** The fifth session of the Intergovernmental Negotiating Committee (INC-5) to develop a Framework Convention on International Tax Cooperation is set to continue discussions on elements of the Framework Convention and two early Protocols. **dates:** 3-14 August 2026 **location:** UN Headquarters, New York **www:** [financing.desa.un.org/unfcitc](https://financing.desa.un.org/unfcitc)

**INC-6:** The fifth session of the Intergovernmental Negotiating Committee (INC-5) to develop a Framework Convention on International Tax Cooperation is set to continue discussions on elements of the Framework Convention and two early Protocols. **dates:** 30 November - 11 December 2026 **location:** Nairobi, Kenya **www:** [financing.desa.un.org/unfcitc](https://financing.desa.un.org/unfcitc)

### Glossary

APAs	Advance Pricing Agreements
ATAF	Africa Tax Administration Forum
AU	African Union
BCAS	Bombay Chartered Accountants’ Society
BEPS	Base Erosion and Profit Shifting
CFS	Committee on Fiscal Studies
COP	Conference of the Parties
CRS	Common Reporting Standard
DESA	UN Department for Economic and Social Affairs
FEMNET	African Women’s Development and Communication Network
HNI	High-net-worth individuals
IATA	International Air Travel Association
ICC	International Chamber of Commerce
IFFs	Illicit Financial Flows
INC	Intergovernmental Negotiating Committee
LATINDADD	Red Latinoamericana y del Caribe por Justicia Económica, Social y Climática
LDCs	Least Developed Countries
MAAC	Multilateral Convention on Mutual Administrative Assistance on Tax Matters
MAPs	Mutual Agreement Procedures
MNEs	Multinational Enterprises
OECD	Organisation for Economic Co-operation and Development
OHCHR	UN Office of the High Commissioner for Human Rights
PSI	Public Service International
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
TJNA	Tax Justice Network Africa
ToR	Draft Terms of Reference
UAE	United Arab Emirates
UNGA	UN General Assembly