

# **UN Tax Convention**

*The Intergovernmental  
Ad Hoc Committee &  
the drafting process of  
the Terms of Reference*

First Outline Policy Briefing

January 2024

(For ICC Members' use only)



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## Overview

On 22 November 2023, after intense and difficult negotiations characterized by high levels of polarization, the UN Economic and Financial Committee (Second Committee) adopted a resolution calling for a UN Framework Convention on international tax cooperation initially tabled by Nigeria on behalf of the African Union.

The resolution was adopted by the Second Committee with 125 votes in favor, 48 against and 9 abstentions.

After intense negotiations also within the Fifth Committee of the UN General Assembly responsible for the UN budget, a budget of \$1,500,000 for 2024 was approved in December to support the establishment of the open-ended ad hoc intergovernmental committee.

Subsequently, the UN General Assembly endorsed resolution 78/230, “Promotion of inclusive and effective international tax cooperation at the United Nations,” on December 22<sup>nd</sup> with 111 votes in favor, 46 against, and 10 abstentions.

The resolution indicated, as a first step, the establishment of an ad hoc intergovernmental Committee mandated to develop draft terms of reference for a United Nations framework convention on international tax cooperation, with a view to finalizing the Committee’s work by August 2024.

With this Policy Briefing – building on other ICC policy areas of work and previous experiences – we would like to provide ICC members with **a first outline policy briefing** on the next steps in relation to the setting up of the ad hoc intergovernmental Committee and the formulation of the terms of reference for the UN Tax Framework Convention.

We also provide you with a tentative timeline until September 2024 with key dates on when we can expect further developments.

# Composition and structure of the Ad-hoc Intergovernmental Committee

The ad-hoc intergovernmental committee will be composed of 20 members equally representative of each of the 5 UN regional groups.

The 5 UN regional groups are (Chairs for the month of January 2024 are mentioned in parenthesis):

- **African States** (Benin – His excellency Marc Hermanne Gninadoou Araba)
- **Asia-Pacific States** (Tuvalu – His excellency Tapugau Falefou)
- **Eastern European States** (Bosnia and Herzegovina – His excellency Zlatko Lagumdzija)
- **Latin American and Caribbean States** (Ecuador – His excellency José Javier De la Gasca Lopez Domínguez)
- **Western European and other States** (Switzerland – Her excellency Pascale Christine Baeriswyl)

Please be aware that such regional grouping is different from the regional grouping of other international organizations (e.g. IMF, World Bank). For instance, some European Union countries are included in the Eastern European States while others in the Western European & other States, which also includes the UK, Australia, US (for electoral/nomination purposes), New Zealand and Canada.

Regional groups are also different from “[main political groups](#),” which play an important role in an enhanced joint negotiating capacity at General Assembly level negotiations.

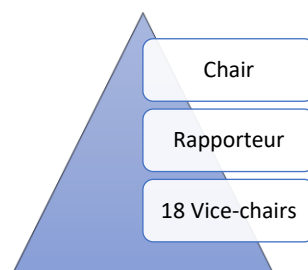
The complete list of countries, categorized by regional groups, can be found at this [link](#).

## Structure of the ad-hoc committee

In order to establish the bureau of this new ad-hoc intergovernmental committee, the chairs of the UN regional groups will need to consult with their respective regional groups and nominate 4 representatives to the UN Secretariat by January 15<sup>th</sup>.

The Chairs of the regional groups change on a monthly basis, and for the month of January have been listed in the previous section.

The ad-hoc intergovernmental committee will be structured in this way:



The two regional groups that hold the positions of Chair and Rapporteur would be allocated up to three Vice-Chairs each. The remaining three regional groups would be allocated up to four Vice-Chairs each.

Based on previous experiences, we can share that we expect the UN secretariat to play a key role in facilitating the identification of the Chair and Rapporteur based on consensus among countries or with at least the support of the majority of them.

It goes without saying that the representatives that will be nominated for this ad-hoc committee will be playing a central role in the drafting of the terms of reference for the framework convention. Thus, balanced representation is very much needed.

## **Organizational Session**

Once the ad-hoc intergovernmental committee has been set up, there will be a first organizational session that has been scheduled for February 20-22, 2024.

All member states are invited to participate in this session and a note outlining the logistical and procedural aspects of the session will be circulated to Member States in advance of this meeting.

During these two days, the logistical and procedural aspects will be discussed. This will include the way decisions will be taken within the committee (i.e., by consensus or by majority) and the forms in which civil society (which according to the UN practices includes both NGOs and business groups) will be participating.<sup>1</sup>

## **ECOSOC Special Meeting**

On March 22<sup>nd</sup>, after the end of the next UN Tax Committee of Experts session, there will be the traditional UN Economic and Social Council (ECOSOC) Special Meeting. While the programme has not been released yet, we have already been informed that it will cover the UN Tax Convention.

All UN Member States will be participating in this meeting, and it represents the last public meeting before the first substantive session of the ad-hoc committee.

This meeting is public and will take place at the UN HQ in New York City.

As we have scheduled our ICC Global Tax Commission meeting for March 21<sup>st</sup>, we hope this can facilitate your participation to both meetings/events.

## **Substantive Sessions of the ad-hoc committee**

After the organizational session, the ad-hoc committee will meet for two substantive sessions in order to finalize the Terms of Reference for a UN Framework Convention by the August 2024 deadline, as stated in the UN Resolution adopted in December 2023.

Pending decision by the Committee at its organizational session, the following dates for the substantive sessions have been set:

- First Session, New York, 29 April to 8 May 2024 (9 days) (TBC)

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<sup>1</sup> As we previously indicated, we would like to remind you of ICC's UN Permanent Observer Status as the global business organization.

- Second Session, New York, 29 July to 16 August 2024 (15 days) (TBC)

The outcome of these substantive sessions will be then discussed at the next UN General Assembly which will commence in September 2024.

We will keep you updated on the specifics of civil society participation modalities, but we can anticipate, based on previous experiences, that a limited number of ICC members will be allowed to follow the negotiation process as observers.

## Tentative timeline/key dates

15 January 2024	Submission by the Chairs of each UN Regional Group of 4 nominations for the ad-hoc intergovernmental committee	
20-22 February 2024	Organizational session of the ad-hoc intergovernmental committee	Participation allowed to all UN member states
17-21 March 2024	UN Tax Committee of Experts Meetings	
21 March 2024	ICC Global Tax Commission Meeting	
22 March 2024	ECOSOC Special Meeting	Public Meeting
29 April – 8 May 2024	First substantive session of the ad-hoc intergovernmental committee	
29 July – 16 August 2024	Second substantive session of the ad-hoc intergovernmental committee	
10 September 2024	Opening of the 79 <sup>th</sup> session of the UN General Assembly (UNGA) – discussion within the UNGA 2 <sup>nd</sup> Committee of the Terms of Reference for a UN Tax Framework Convention	

Should you have any questions or would like to have further information, do not hesitate to contact Luisa Scarcella (ICC Global Policy Lead – Taxation) by email at [luisa.scarcella@iccwbo.org](mailto:luisa.scarcella@iccwbo.org).

### **About the International Chamber of Commerce**

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 170 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.

