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FIRST DAY

The first day of discussion focused in particular on the importance of consensus in decision making. In this case, most of OECD countries emphasized the need for such a decision-making approach while many developing countries did not consider it essential.

Some delegations also shared the possibility to have consensus-decision making at least for controversial topics (e.g. the ones pertaining to the reallocation of taxing rights).

Secondly, lot of time have been spent discussing “complementarity” with existing frameworks and standards and how this should be reflected in the TOR (whether as an object, principle or approach). Some delegations from developing countries suggested to use the word “consolidation” rather than “complementarity” to reflect the consideration to be given to existing policies and agreements.

SECOND & THIRD DAYS

On the second and third day of the session, the discussions have been focused on topics to be covered in the convention which includes the following ones:

- domestic resource mobilization and capacity building
- effective taxation of high-net worth individuals, including wealth taxation;
- ensuring that tax measures contribute to addressing environmental challenges
- equitable taxation of the income of multinational enterprises;
- Taxation of cross-border transactions

From our understanding these are the possible topics for high-level commitments to be included in the TOR.

Other topics that have been suggested yesterday afternoon are: indirect taxation, exchange of information, digitalization of tax administrations.

DAY 3: 2nd part of the SUBSTANTIVE DISCUSSION ON THE SCOPE OF THE FRAMEWORK CONVENTION

- During this second day of the substantive discussion on the scope of the framework convention the focus has been on the topic of equitable taxation of MNEs and the taxation of cross-border services.
- Some developing countries emphasized why including these topics in the TOR as a high-level commitment for the future framework convention should be done with a very broad scope.
- The topics of complementarity with existing agreements was also largely discussed with developed countries and some developing countries recommending taking into account what has already been agreed and implemented.
- Some developing countries have suggested again to use the word “consolidation” instead of “complementarity” to reflect taking into consideration previous international agreements and standards.
- We have made an intervention on these two topics that you can find attached to this email.

DAY4: DISCUSSION FOR A TIMELINE FOR EARLY PROTOCOLS

- The topic of early protocols has been extensively discussed during day 4.
- Developed countries have recommended starting negotiations of early protocols only after the convention while developing countries have been pushing to cover crucial topics in early protocols while negotiating the convention.

- On one hand developed countries as well as some developing countries have raised the limited resources that they will be able to put into double or triple negotiations (convention + protocols). On the other hand, other developing countries highlighted how there were priority areas that could not wait.
- A compromised suggestion has been made by the UK delegate. According to this suggestion, the framework convention and some early protocols will be negotiated at the same time but these early protocols will only be finalized once the convention is finalized. The convention and these early protocols will then be followed by additional protocols in the course of the years.
- Developing countries largely supported the compromised solution while developed countries has requested more time to assess whether to support this approach and that in any case that would depend on the topic of the protocols and how many. This position was shared also by some developing countries.

DAY 5: POSSIBLE TOPICS FOR EARLY PROTOCOLS

- Day 5 was entirely dedicated to the topic of early protocols. Developing countries mainly focused on the topic of illicit financial flows and in particular exchange of information, emphasizing how many of their requests are not answered and how they do not have the means to implement the necessary CRS systems.
- Another area of focus has been cross-border services, where in particular African countries have underscore their discontent with the current allocation of taxing rights under existing treaties and thus the need to find a streamlined way to update those treaties. We understand that the idea that has been floating around is for a protocol that will look into what is currently being almost finalized at the UN Tax Committee of Experts as the “Fast Track Instrument”.
- Another topic that has been brought up frequently is the need for proper mechanisms for disputes resolution.
- The Chair of the Committee has also shared at the end of the meeting the list of early protocols topics that have been suggested by several delegations, which are:
 - *Cross-border services*
 - *Illicit Financial flows*
 - *Digital economy*
 - *Dispute resolution*
 - *Net-worth individuals*
 - *Environment and climate change*
 - *Exchange of information*
 - *Tax Incentives*

No decision has been taken yet on which topics would be covered by early protocols.