

ICC Global Tax Commission

The 2024 Roadmap

*Reviewing 2023 and
spotlighting the year
ahead*



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Introduction

2023 was indeed an intense year for international tax policy that saw important developments, both at the international and regional levels. Within the ICC Commission, we also had some important changes in the leadership team composition.

The aim of this roadmap is to give you a quick overview of what happened in 2023, focusing on the engagements of our ICC Global Tax Commission, as well as providing you some key dates, information and opportunities to get involved for 2024.

For any questions or to get additional information, do not hesitate to contact Luisa, ICC Global Lead on Taxation: luisa.scarcella@iccwbo.org.

1. Reviewing 2023

1.1. ICC Leadership Team & Strategic Framework

In July 2023, John Connors (Vodafone Group Tax Director) has been appointed as the new chair of the ICC Global Tax Commission, succeeding Christian Kaeser (Siemens Global head of tax).

The leadership team has also been expanded due to the increasing number of tax policy initiatives and workstreams, as well as to increase the inclusive participation of at least one representative per geographical region.

In its current composition, the ICC Global Tax Commission includes the following Vice-chairs (in alphabetical order):

- Rocío Bermúdez (Repsol - Transfer Pricing & Tax Global Practices Senior Manage) - Spain
- Troopti Desai (appointed following the loss of our beloved Vivian Mbowe) (MTN – Executive Group Tax) – South Africa
- Linda Evans (IBM - Senior Director, Global Tax Policy) - US
- Matthew Herrington (KPMG - Partner and Head of International Tax for Corporates) - UK
- Alejandro Machorro Rivera (Mercado Libre Mexico - Head of Tax) - Mexico
- Thomas Quatrevalet (Air Liquide - Deputy head of tax) - France
- Tom Roesser (Microsoft - Senior Director, Tax Affairs) - US
- Veerinderjeet Singh (Tricor Malaysia – Chairman) - Malaysia
- Stephanie Sweet (Amazon - Senior Manager, International Tax Public Policy) - US

During the ICC Global Tax Commission meeting in October 2023, a new strategic framework document for the Commission has also been presented and you can find the finalized strategic framework for the ICC Global Tax Commission as an Annex to this document.

1.2. OECD Two Pillars Tax Reform and other tax policy areas

In the context of the OECD Two-Pillar Tax Reform, the ICC Global Tax Commission has responded to the following OECD public consultations and the responses are available on the OECD website:

- 20 January 2023: [Pillar One - Amount A: Draft Multilateral Convention Provisions on Digital Services Taxes and Other Relevant Similar Measures.](#)
- 25 January 2023: [Pillar One – Amount B](#)
- 3 February 2023: [Pillar Two – GloBE Information Return](#)
- 3 February 2023: [Pillar Two – Tax Certainty for the GloBE Rules](#)
- 1 September 2023: [Pillar One – Amount B](#)

In the context of the public consultation on the tax certainty aspects of Pillar Two GloBE Rules, we were also invited to participate in the online meeting and ICC was represented by Thomas Quatrevalet (ICC Global Tax Commission Vice-chair).

In the course of 2023, we have also submitted two letters to the Director of the OECD's Centre for Tax Policy and Administration (CTPA), highlighting:

- Business perplexities on the revenue estimates deriving from Pillar Two (March 2023)
- The need for a multilateral solution that can prevent the proliferation of unilateral measures such as Digital Services Taxes and the possible adoption of retaliatory measures in return (July 2023)

We also participated in the stakeholders' day dedicated to the topic of the tax issues emerging from cross-border teleworking, where Tom Roesser (ICC Global Tax Commission Vice-chair and Chair of the Taxation of Cross-border Teleworkers Working Group) shared the results of the ICC survey on this topic with policy makers and OECD/G20 Inclusive Framework countries.

Finally, during our ICC Global Tax Commission meetings, we invited OECD representatives to update us on the OECD work in relation to the Two-Pillar Tax Reform.

In Spring, Mr. John Peterson (Head of Division at OECD's Centre for Tax Policy and Administration (CTPA)) and Mr. Sriram Govind (Advisor, Mutual Agreement Procedures (MAP) at OECD) joined the Commission meeting for an update focused on Pillar Two, while during the Autumn Meeting, Dr Achim Pross (Deputy Director OECD's Centre for Tax Policy and Administration (CTPA)) presented to the ICC members the latest developments in regard to both Pillar One and Pillar Two.

1.3. UN Tax Committee of Experts

During the last session of the UN Tax Committee of Experts (17-20 October 2023 – Geneva) we presented written comments on the following areas:

- Workstream B – UN Subcommittee on the Digitalized and Globalized Economy on the proposal of replacing Articles 5(3)(b), 12A, 14 of the UN Model Convention with a single new provision dealing with cross-border business services.
- Workstream C – UN Subcommittee on the Digitalized and Globalized Economy proposed amendment to Article 15 of the UN Model Convention. In this context, we also put forward a proposal for a payroll safe harbor that would allow employees to work for a limited amount of time, anywhere in the world.
- Report on Tax Incentives and the Global Minimum Tax in the Extractives
- Reports released by the UN Indirect Taxation Subcommittee

- Chapter 2 – UN Handbook on Health Taxes (on health taxes we also have a dedicated group set up for providing comments specifically on this workstream).

After the Spring meeting in March 2023, we also provided written comments on the UN Tax Committee of Experts proposal in relation to the inclusion of software under the royalties definition according to the UN Model Convention against Double Taxation.

Moreover, at the ICC Global Tax Commission meetings – both in Spring and in Autumn 2023 – we invited Mr. Michael Lennard for an update on the work of the UN Tax Committee.

During 2023 our Indirect Tax Working Group has also established a constructive cooperation with the UN Indirect Tax Subcommittee, and we were invited to provide comments on the draft reports, participate in their meetings and provide industry presentations that could be informative for the drafters of the reports and the members of the working group.

If you would like to read the written comments that we have submitted in 2023 to the UN Tax Committee of Experts, please get in touch with us.

1.4. UN Tax Resolution

After the 77/244, concerning the "Promotion of inclusive and effective international tax cooperation at the United Nations," a proposal originally put forward by Nigeria on behalf of the African Union and approved in December 2022, the UN Secretariat was tasked in 2023 to draft a report addressing the topic of international tax cooperation. On August 8, 2023, the UN Secretary-General published a report outlining the options that would form the basis for the intergovernmental discussions at the 78th UN General Assembly session that opened in September 2023.

During the drafting process, ICC submitted a written contribution to the call for contributions launched by the UN and participated with interventions to the UN ECOSOC Tax Special Meeting (March 2023), the Financing for Development (FfD) Forum (April 2023), UN informal briefings and the UN High-Level Dialogue on Financing for Development. In our contributions, we stressed the importance of any multiplication and fragmentation of tax frameworks that can lead to overburdening tax compliance, lower tax certainty and ultimately to an increase of tax disputes. We thus highlighted the need for strengthened coordination among multilateral organizations.

Following the publication of the report, ICC provided its members with a "preliminary scenario analysis" based on the options and next steps. The report outlined three main options: a convention, a framework convention and a forum. These three options were then discussed by the UN General Assembly UN Economic and Financial Committee (Second Committee).

On November 22, 2023, UN Second Committee adopted a resolution for a UN Framework Convention on international tax cooperation, a proposal originally put forward by Nigeria on behalf of the African Union. This resolution, marked by difficult negotiations and strong polarization, received 125 votes in favour, 48 against and 9 abstentions.

In December, after further challenging discussions within the UN General Assembly's Fifth Committee, which handles the UN budget, a budget of \$1,500,000 was allocated for 2024 to support the creation of an open-ended ad hoc intergovernmental committee.

The UN General Assembly then endorsed resolution 78/230, titled "Promotion of inclusive and effective international tax cooperation at the United Nations," on December 22nd. This resolution garnered 111 votes in favour, 46 against, and 10 abstentions. It called for the formation of an ad hoc intergovernmental committee tasked with developing draft terms of reference for the proposed UN tax convention. The goal is to complete this work by August 2024.

Following the adoption of the resolution, we organized an online briefing session on November 27th on "What will be the outcome of the resolution and next steps ahead if adopted." We also shared a first draft policy briefing on the UN Tax Convention with our members in January 2024; providing an overview and guidance on the subsequent steps regarding the establishment of the ad hoc intergovernmental committee and the development of the terms of reference for the UN Tax Framework Convention.

In the month of December 2023, together with the Chair of the ICC Global Tax Commission and one of the Vice-chairs we also had meetings with a few UN delegations underscoring the importance of constructive dialogue with the private sector.

If you have not already received the ICC documents mentioned above and would like us to share them with you please feel free to contact us.

1.5. EU Tax Policy Developments

In 2023, we submitted responses to the EU Commission public consultations relating to:

- [First round Package proposals on Transfer Pricing, Head Office Tax System for SMEs and Business in Europe: Framework for Income Taxation \(BEFIT\)](#)
- [VAT in the Digital Age proposals](#)

Both documents can be found online on the EU Commission website as hyperlinked.

As ICC, we also participated to the meetings of the [EU Commission Platform for Tax Good Governance](#).

Among the topics that have been discussed during these meetings:

- Digitalization of Tax Administrations
- Business in Europe: Framework for Income Taxation (BEFIT) Proposal Package
- EU Tax Observatory latest report
- The UN Resolution for a Framework Convention on International Tax Cooperation

Finally, during the ICC Global Tax Commission meeting in March 2023 in New York, Mr. Annolino (European Commission - Head of Sector for International Taxation) provided members with an update on the EU list of non-cooperative jurisdictions for tax purposes, while during the autumn meeting in October 2023, Mr. Angel (EU Commission Director 'Direct taxation, tax coordination, economic analysis and evaluation') provided ICC members with an update on the proposals currently being discussed and up for public consultation at the European level.

1.6. Platform for Taxation in Latin America & the Caribbean (PTLAC)

At the Ministerial Tax Summit in Cartagena, Colombia, held in late July 2023, finance ministers from 16 Latin American and Caribbean countries convened to establish a regional platform for discussing international taxation matters. The Ministerial Platform for Taxation in Latin America and the Caribbean serves as a platform to unify the region's stance on global tax policies, aiming to represent the interests of the region at both the OECD and UN levels. The signatories to date include Barbados, Bolivia, Brazil, Colombia, Chile, Ecuador, the Dominican Republic, Haiti, Panama, Paraguay, and Peru.

ICC Global and ICC Colombia organized a hybrid private sector pre-summit event on July 26, 2023, to develop key tax policy recommendations for the ministers at the Summit.

As a result of our advocacy efforts, the Summit also marked the establishment of a Private Sector Advisory Council within the platform, mirroring the one for the Civil Society, to bring together the private sector voices in the region. Since then, we have participated in two meetings focused on establishing the participation and operational rules for both the advisory councils. The final meeting on November 9, 2023, solidified these councils and identified three working groups dedicated to addressing policy priority areas:

1. **Progressivity in Taxation** (including the digital economy issues)
2. **Tax Incentives** (including the impact that Pillar Two will have on them)
3. **Environmental Taxation**

These working groups will work on the preparation of reports to be presented at the next Ministerial Platform meeting that will take place on May 4, 2024, in Santiago de Chile.

A call for interest in being part of the Private Sector Advisory Council was sent out to the members in early November 2023. Furthermore, to provide more information about the platform and the advisory council, we organized an online information session on November 30, 2023.

1.7. Events/Panels Organized in 2023

Date	Event	Location
26 January 2023	IFA/ICC Webinar on International Tax Disputes Prevention and Resolution	Online
28 March 2023	ICC Global Tax Commission Meeting	New York City, in occasion of the UN Tax Committee of Experts meetings session
29 March 2023	IFA/ICC Webinar on International Tax Disputes Prevention and Resolution in Developing Countries	Online
29-30 June 2023	ICC/BIAC/BusinessEurope Conference on International Taxation between Legacy and Revolution	Munich, Germany
13 September 2023	Business and Industry Tax Dialogue at the BRITACOM Annual Conference	Tbilisi, Georgia

16 October 2023	ICC Global Tax Commission Meeting	UN Palais des Nations, Geneva
25 October 2023	IFA/ICC/OECD Panel on the Implementation of Pillar Two around the World at the 2023 IFA Congress	Cancun, Mexico
4 December 2023	ICC/University of Lausanne/Georgetown Law School event on Tax & Investment Arbitration	Washington DC

1.8. Media Coverage in 2023

Our policy advocacy efforts have also received media attention and coverage in the course of 2023:

International Tax Review: [Why 2023 may determine the future of international tax policy, by Ralph Cunningham, 20 March 2023](#)

International Tax Notes: ICC Wants Greater Protection from Unilateral Digital Taxes, by Sarah Paez, 16 June 2023

Financial Times: [OECD tax plan targeting multinationals beset by clashes, by Emma Agyemang, 13 July 2023](#)

Bloomberg Tax: [Tax advocacy groups Applaud UN Call for Bigger Role in Tax Policy, by Lauren Vella, 9 August 2023](#)

2. Roadmap for 2024

2.1. OECD Global Tax Reform

Pillar One: In a statement in December 2023, the OECD recognized that the work to resolve the remaining differences on the text of the Multilateral Convention (MLC) on Amount A Pillar One will have to go on into next year, including with respect to the standstill on new Digital Service Taxes and other relevant similar measures. It also stated that members of the Inclusive Framework reaffirm their commitment towards achieving a consensus-based solution and to finalize the text of the MLC by the end of March 2024, with a view to hold a signing ceremony by the end of June 2024.

Pillar Two: As the OECD was originally planning to have the model rules implemented by January 2024, it is yet to be seen – besides the EU and a few other countries around the world – how many of them will ultimately implement the rules by 2024. Additional administrative guidance is expected to be released on other aspects of the reform as well.

On both pillars, it is our aim to continue engaging constructively with the OECD and capitals advocating for:

- Consistency in the domestic implementation of Pillar Two,
- Transformation of the temporary Safe Harbors into permanent ones,

- Adoption of a multilateral solution that can prevent the proliferation of digital services taxes and similar unilateral measures on one side, and the adoption of retaliatory measures on the other one.

2.2. UN Tax Committee of Experts

As the UN Tax Committee of Experts' current mandate will end in Spring 2025, the two sessions taking place in 2024 will be key for the adoption of documents and proposals currently being drafted and discussed within the several subcommittees under the UN Tax Committee of Experts.

The dates for the UN Tax Committee's next two sessions are:

- 19 – 22 March 2024 – New York City (United States)
- 15 – 18 October 2024 – Geneva (Switzerland)

To learn more about the current proposal and topics currently being covered by the UN Subcommittees, we invite you to consult the latest reports hyperlinked to each subcommittee and topics listed below. Please do not hesitate to get in touch, should you be interested in presenting observations on any of these topics or join any of the working groups or task forces, currently set up within the ICC Global Tax Commission, that prepare comments in relation to these workstreams: indirect taxation; cross-border teleworkers and health taxes.

Subcommittees	Latest version of the reports presented in October 2023
<u>UN Model Tax Convention between Developed and Developing Countries</u>	<ul style="list-style-type: none"> • Co-Coordinator's Report (E/C.18/2023/CRP41) • Software (E/C.18/2023/CRP43) • Article.8 (E/C.18/2023/CRP44) • Commentary to Article.14 (E/C.18/2023/CRP45) Insurance (E/C.18/2023/CRP46)
<u>Transfer Pricing</u>	<ul style="list-style-type: none"> • Co-Coordinator's report (E/C.18/2023/CRP26) • Annex A (Transfer Pricing during COVID-19 Economic Downturn) • Annex B (Toolkit) • Annex C (Transfer Pricing of Carbon Offsets and Carbon Credits) • Annex D (Agricultural Products) Annex E (Pharmaceutical Industry)
<u>Environmental Taxation Issues</u>	<ul style="list-style-type: none"> • Co-Coordinator's Report (E/C.18/2023/CRP35) • CRP.35 Annex A (National Measures) • CRP.35 Annex B-1 (Border Carbon Adjustments - Parts A B) • CRP.35 Annex B-2 (Border Carbon Adjustments - Part C) • CRP.35 Annex C (Energy Transition) CRP.35 Annex D (Carbon Offsets)
<u>Taxation of the Digitalized and Globalized Economy</u>	Co-Coordinator's Report (E/C.18/2023/CRP40)
<u>Increasing Tax Transparency</u>	Co-Coordinator's Report (E/C.18/2023/CRP32)
<u>Health Taxes</u>	<ul style="list-style-type: none"> • Co-Coordinator's Report (E/C.18/2023/CRP47) • Chapter 5 (E/C.18/2023/CRP48) • Chapter 2 (E/C.18/2023/CRP49) Outlines of Additional Chapters (E/C.18/2023/CRP50)

<u>Indirect Tax Issues</u>	<ul style="list-style-type: none"> • Co-Coordinator's Report (E/C.18/2023/CRP29)
<u>Extractive Industries</u>	<p>Co-Coordinator's report (E/C.18/2023/CRP31)</p> <p>Permanent Establishment and Other Income Issues for Extractives (E/C.18/2023/CRP38)</p> <ul style="list-style-type: none"> • Tax Incentives and the Global Minimum Tax in the Extractives (E/C.18/2023/CRP39)
<u>Dispute Avoidance and Resolution</u>	<ul style="list-style-type: none"> • Co-Coordinator's Report (E/C.18/2023/CRP34)
<u>Digitalization and Improvement of Tax Administration</u>	<p>Co-Coordinator's Report (E/C.18/2023/CRP33), Annex 1,</p> <p>Annex 2</p> <ul style="list-style-type: none"> •
<u>Relationship of Tax, Trade and Investment Agreements</u>	<ul style="list-style-type: none"> • Co-Coordinator's Report (E/C.18/2023/CRP30)
<u>Wealth and Solidarity Taxes</u>	<p>Coordinator's Report (E/C.18/2023/CRP27),</p> <ul style="list-style-type: none"> • Annex

2.3. UN Tax Resolution

In relation to the UN Tax Resolution, we recently circulated a briefing report on the next steps to our members. If you would like to receive it, please contact: Jessica.reed@iccwbo.org.

The first step will be the set-up of an ad-hoc intergovernmental committee composed of 20 members and representatives of the different UN geographical regions. The committee is tasked with the preparation of the Terms of Reference for a UN Tax Framework Convention that will be negotiated and discussed at the next UN General Assembly starting in September 2024.

This committee will meet for the first meeting from 20-22 February, for a first organizational session, followed by two substantive sessions taking place at the end of April-beginning of May and at the end of July-first half of August.

The meetings will take place in New York City at the UN Headquarters.

To walk you through the upcoming months, we are organizing a webinar on February 20th in partnership with ICC UK, ICC Nigeria, ICC Colombia and ICC Malaysia. You can register at this [link](#).

We would like to remind you of the ICC UN Permanent Observer Status and we stay available for any questions you may have.

Moreover, at the end, you will find all the key dates for 2024 - including the ones related to the UN Resolution.

2.4. EU Tax Policy Developments

In relation to the EU Tax policy developments, negotiations on the VAT for the Digital Age Package (ViDA) will recommence in March 2024.

We will also closely monitor the other tax policy developments in relation to Direct Taxation, and hope to keep constructively engaging on dossiers such as BEFIT.

Furthermore, we will keep the members informed about the topics addressed during the meetings of the EU Commission Platform for Tax Good Governance, the first of which will take place on February 29.

2.5. Platform for Taxation in Latin America and the Caribbean (PTLAC)

The Ministerial Platform for Taxation in Latin America and the Caribbean will be hosting its next meeting in Santiago de Chile at the beginning of May 2024.

In the interim, we expect the three working groups to host sectorial meetings to prepare the reports that will be shared during the May meeting.

A first meeting of the Environmental Working Group took place on January 24 and the two proposals that have been presented concerned:

- A regional multilateral Carbon Tax Treaty
- A Global Income Tax for mobile taxpayers (including individuals and legal entities)

If you or your Latin-America colleagues are interested in being active in the Private Sector Advisory Council, please do not hesitate to contact us.

We count on your contribution to keep running and managing the Private Sector Advisory Council.

2.6. ICC Working Groups & other areas of work

Indirect Taxation

The indirect Tax Working Group will host its first meeting on February 13. The working group meets every 6 weeks to discuss different policy developments in the area of indirect taxation at the OECD, UN and EU levels, as well as at the national level. Working group meetings have also benefited in the past from presentations from colleagues of other ICC Commissions (Eg., Customs and Energy & Environment), as well as on VAT projects carried out by the WU University of Vienna. As we just entered the new year, we expect to continue providing members of this working group with a platform to exchange and share knowledge on different and interrelated indirect tax matters.

The working group will also continue to actively and constructively engage with the work carried out by the UN Subcommittee on Indirect Taxation.

Participation from other members of the ICC network is always welcome and encouraged. Please feel free to contact us for more information on how to join the working group and to learn about the dates of the next meeting.

Taxation of Cross-border Teleworkers

As the next steps for this working group, which was formed in 2022/2023, we envisage the drafting of a report that showcases the results of the survey we conducted in 2023, complementing the reports that ICC has previously released in this area. Our aim is to inform policymakers through this

report of the tax challenges in relation to cross-border teleworking and suggest feasible and easily applicable solutions that can improve the current situation for employees and employers in the short term.

The working group hosted its first meeting to discuss the draft outline of the report on January 25. We also plan to actively engage with the different policy fora which are currently starting to work on these issues, both at the international (UN, OECD) and regional levels (EU, PTLAC).

Participation in the working group from other members of the ICC network is always welcome and encouraged. Please feel free to contact us for more information on how to join the working group and to learn about the dates of the next meeting.

Carbon Pricing

The working group on Carbon Pricing is a joint working group that brings together the colleagues from the ICC Global Tax Commission and the ICC Global Environment & Energy Commission. The working group has already released [three reports](#) in occasion of the UN COP in 2021, 2022 and 2023. The first report proposes core principles and recommendations to help policymakers design carbon pricing policies, the 2022 report carefully assesses select carbon pricing case studies from Canada, New Zealand, the European Union Emissions Trading System, Indonesia and South Africa through the lens of the foundational ICC Carbon Pricing Principles. Finally, the 2023 report considered proposals for effective carbon pricing by looking at both leakage and linkage. More information on what planned for 2024 in the area of Carbon Pricing will follow shortly.

Tax & Sustainability

This is a newly launched working group, with its first meeting being scheduled for January 31. The first task for this working group will be to update the 2018 ICC position paper on Tax & SDGs. The aim is to present and release the updated version on the occasion of the UN Summit of the Future (22-23 September).

The working group will also provide an opportunity to explore more specific areas of work in relation to sustainability and ESGs.

Participation in the working group from other members of the ICC network is always welcome and encouraged. Feel free to contact us for more information on how to join the working group and to learn about the dates of the next meeting.

International Tax Disputes Prevention & Resolution

While no formal working group has been set-up at the moment, in 2024, we will continue partnering with other organizations such as the International Fiscal Association and universities to share knowledge and advocate for the implementation of robust tax dispute prevention and resolution mechanisms.

Together with the IFA, we have been working on a series of traveling lectures taking place in the first half of 2024 all around the world. More information can be found at this [link](#).

2.7. Foreseen Reports/Publications for 2024

- **Report on the Tax Issues emerging from Cross-border Teleworking**
- **Updated Report on Tax & SDGs**

2.8. Tentative timeline/key dates

Date	Event	
15 January 2024	Submission by the Chairs of each UN Regional Group of 4 nominations for the ad-hoc intergovernmental committee	
25 January 2024	2024 First meeting of the ICC Taxation of Cross- border Teleworking Working Group	Online
29 January 2024	Meeting in preparation of the UN Subcommittee on Indirect Taxation	Online
31 January 2024	First meeting of the ICC Tax & Sustainability Working Group	Online
6-8 February 2024	Meetings of the UN Subcommittee on Indirect Taxation	Online
13 February 2024	2024 First meeting of ICC Indirect Tax Working Group	Online
20-22 February 2024	Organizational session of the UN ad-hoc intergovernmental committee	Participation allowed to all UN member states
20 February 2024	ICC Webinar on the UN Tax Resolution, in partnership with ICC UK, ICC Nigeria, ICC Colombia and ICC Malaysia	Online
18 March 2024	UN ECOSOC Special Meeting on International Tax Cooperation	NYC
19-22 March 2024	UN Tax Committee of Experts Meetings	NYC
21 March 2024	ICC Global Tax Commission Meeting	NYC
29 April – 8 May 2024	First substantive session of the UN ad-hoc intergovernmental committee – UN Tax Resolution	NYC
11 - 12 July	International Tax Conference organized by ICC/BIAC/BusinessEurope	Munich
29 July – 16 August 2024	Second substantive session of the UN ad-hoc intergovernmental committee – UN Tax Resolution	NYC

10 September 2024	Opening of the 79 th session of the UN General Assembly (UNGA)	NYC - Start of discussion within the UNGA 2 nd Committee of the Terms of Reference for a UN Tax Framework Convention to be expected to start later in September
22-23 September	UN Summit of the Future	Presentation of the ICC Updated Report on Tax & SDGs



ICC Global Tax Commission Strategic Framework

ICC Tax Principles

The ICC is the world's business organisation, supporting multilateralism through its world council, national committees, global policy forums and specialised commissions.

This worldwide business community, representing and supporting commercial enterprise, is the key driver of economic prosperity, growth and development through investment in jobs, infrastructure and technology, and is founded on the principles of free trade and fair competition.

The following principles are at the core of our policy engagement in the field of taxation:

- The ICC promotes principles and rules-based multi-lateral trade and investment in a market-driven economy through sustainable and inclusive economic growth, responsible business conduct, and a non-discriminatory regulatory framework.
- It is a long-established principle that the international tax framework should be focused on the elimination of double taxation to facilitate cross border trade and investment. In the case of any domestic or international tax disputes, both business and individuals need to be able to rely on the rule of law and to have unfettered access and representation to arbitration and resolution.
- Domestic and international tax rules have the ability both to enhance and inhibit growth and need to find a balance between regulation and liberalisation, between charges and incentives.
- Tax systems need to be stable, principles and broad-based and straightforward to administer for both business and the tax authorities and to create an environment that supports innovation and growth, and which facilitates a reasonable return on investment and resilient and accessible public services. All new tax initiatives should take account of the cost and ease of implementation and administration.
- The ICC and all responsible businesses recognise the contribution they make to society through the taxes they pay as well as through the opportunities, wealth and jobs they create. Business responsibilities are not only to shareholders but to employees, customers and to the societies in which they operate. This includes contributing to the development of sustainable, environmental, social and corporate governance.

- The ICC readily accepts the value and structure of taxes on profits and employment, on the sale of goods and services, and recognises the challenges created by increasing digital commerce, digitalized processes, and of intellectual property in increasing knowledge-based industries and technology.
- Tax administrations need to understand the commercial operations, value chain, tax profiles and risks of both the most complex multinational enterprises and domestic entrepreneurship. They need to have the capacity, experience and support to be able to both regulate and facilitate compliance with all applicable laws, and to interact with other jurisdictions to facilitate international trade and equitable taxation [and to prevent fraud and abuse].

Engagement Strategy

- ICC provides business views and inputs on the most pressing tax policy issues and offer constructive contributions and suggestions for implementable solutions to policymakers at international and regional level (i.e., OECD, the UN Tax Committee of Experts, the European Commission and additional regional platforms).
- ICC acknowledges the important work carried out by other multilateral institutions in relation to tax policy implementation and capacity building and we promote synergies with all stakeholders involved in the area of tax policy.
- ICC encourages business participation in capacity building efforts, in which the business community can provide valuable insights and feedback on best practices and challenges.
- ICC fosters open and constructive dialogue with tax administrations' international and regional groups.

Key issues and policy priorities

Global and Multilateral Tax Reforms

International tax standards need to be developed and agreed on as wide and inclusive a basis as possible. As key creators of wealth and employment, business must be integral to those considerations and duplication of effort should be avoided.

The OECD's Two-Pillar approach has focused, almost exclusively, on the prevention of base-erosion and profit shifting rather than on the simplification of taxing rights and obligations in relation to cross border and digital activities by business (not just multinationals). The success of this approach will be determined by the ability of businesses and tax authorities to understand and apply the rules consistently and for there to be global agreement on the mechanisms. This will rely on administrative simplicity and clarity with due regard to the capacity and costs for all parties.

Similarly, the increasing trend for digitalisation of global tax administration needs to be focused on efficient, secure systems and processes, and on effective cost management through a common framework and standardisation.

There needs to be radical simplification of the administrative (reporting and data) requirements, including a single report to one administration, jurisdictional consolidation, and the establishment of permanent safe harbours and thresholds.

All digital services tax should be removed pending adoption and implementation of Pillar One.

At the same time, withholding taxes serve as a disincentive and barrier to cross-border investment and/or as a tax on potential returns, and can create economic double taxation which, at best, is burdensome, costly and time-consuming to recover. There should be a simple and automated process to eliminate, reduce, or recover withholding taxes where they are applied.

Transfer pricing rules are designed to ensure taxation where economic operations are conducted and value created using the arm's length principle. Whilst some aspects can be challenging [e.g. in relation to intangible assets], the principles should not be ignored or replaced without due regard to the commercial realities e.g. by formulary apportionment, arbitrary profit allocations, or restrictions on deductible costs and expenses.

As we will continue to actively and constructively contribute to the work of the UN Tax Committee of Experts, we will also monitor UN intergovernmental discussions at the next UN General Assembly and following outcomes, raising awareness on the importance of avoiding possible international tax policy fragmentation and duplications that could ultimately lead to potential tax disputes.

Regional Initiatives

Europe: The EU supports fair, efficient and sustainable taxation and is actively supporting the global discussions led by the OECD and the G20 but 'stands ready to act if no global agreement is reached'. The whole point of global initiatives is that they are designed to be inclusive and balanced and to avoid the cliff-edge issues between participating and non-participating territories.

The European Commission recognises tax as a tool for sustainable economic growth and should focus on the need to reduce costs and complexity in the pursuit of a simpler and more modern tax environment.

Latin America: Thanks to the setting up of the Private Sector Advisory group to the newly created Platform for Taxation in Latin America and the Caribbean, we will be able to voice business concerns on the topics and areas that the Finance Ministers of the involved countries will be discussing and addressing. In relation to the challenges due to a digitalising economy, the introduction of uncoordinated unilateral measure increases fragmentation and tax uncertainty. A multilateral solution remains the best way forward. The newly implemented platform can also represent an opportunity to reflect how to design tax incentives in accordance with Pillar Two and how to ensure consistency in the implementation of the global minimum tax.

Asia and Africa: In the years to come, we plan to increase our presence and strengthen the business community representation in the area of tax policy in these two other continents as well, leveraging on regional ICC national committees.

Specific policy areas of focus

Taxation of Cross-border teleworkers: In a modern (post pandemic) flexible and digital economy, tax and national insurance systems should aim to facilitate remote cross-border [tele-]working to both develop a flexible global workforce and provide access to a global talent pool.

Indirect Taxation: Indirect taxation continues to be of key relevance in many countries of the world, including developing countries. ICC supports indirect tax systems that are simple and easy to understand for taxpayers to comply with, especially for the small and medium enterprises. Also,

indirect tax should be neutral and do not lead to disproportional levies or costs. When considering changing or using indirect tax rates for behavioral purposes, the effects should be thoroughly studied upfront. In the case of indirect taxes that affect cross-border trade, there should be coordination with other countries to prevent double taxation or non-taxation.

When implementing digital tools and platforms, tax authorities should aim for a harmonized approach that minimizes discrepancies between different jurisdictions and reduces the compliance burden on taxpayers operating in multiple jurisdictions and provide a sufficient implementation period for taxpayers. This includes ensuring that digital platforms and tools are interoperable and that data standards are consistent across jurisdictions. Also, any data provided should be safeguarded by authorities for unjust use.

The ICC indirect tax working group is actively participating and contributing to the UN Tax Committee of Experts work, providing business inputs and sharing best practices.

Sustainability: Besides continuing the work together with the ICC Environment & Energy Commission on Carbon Pricing, the broader topic of sustainability and how taxation connects with the achievement of the sustainable development goals is at the centre of our priorities for the next years.

Dispute Prevention & Resolution: In such a complex global tax environment that increasingly leads to disputes, we will keep advocating for business' need to be able to rely on the rule of law and to have unfettered access and representation to arbitration and resolution.

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.



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