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## UN TAX Convention negotiations WEEK 1 – RECAP

During the first week of negotiations for the UN Framework Convention, the current draft of the Terms of Reference (TOR) was discussed by UN member countries, who expressed their views and made suggestions. As the ICC, we issued a general statement recommending the inclusion of a new paragraph in the “Approaches” section. This paragraph aims to ensure structured channels of dialogue for taxpayers as the drafting of the Convention and potential early protocols commence. We also emphasized the importance of ensuring tax certainty by coordinating with existing frameworks and agreements and focusing on proposals that garner the broadest support from countries. Additionally, we made a second general intervention during the stakeholder dialogue on Friday, which our members and national committees also participated in, reinforcing the business community’s perspective and message on this new UN process.

We can report that countries such as Canada, the Czech Republic, Ireland, and Singapore highlighted the importance of consulting stakeholders, including taxpayers, during Friday’s meeting on the “Approaches” section. Singapore, in particular, was very supportive of our proposal, along with other countries that recognized the merit in our request.

A revised version of the TOR document, incorporating minor changes to the text, is expected to circulate today and will be discussed during our online briefing scheduled for Wednesday. Countries will also have the opportunity to submit language proposals and changes in writing to the UN Secretariat and the Chair by Tuesday, August 6.

Below, we have summarized the main areas of debate from the past week. More detailed information on each section will be provided during the online briefing on Wednesday.

### OBJECTIVES & PRINCIPLE

The discussion on the objectives and principles has covered several key aspects, including:

- Possible Inclusion of “Promoting Trade and Investment”: Norway proposed adding “promoting trade and investment” as one of the objectives of the convention. However, this suggestion has not received broad support from many developing countries. These countries argue that the term “sustainable development” already encompasses trade and investment and that these areas should be addressed by specific bodies and standards.
- Reference to Human Rights and/or Taxpayers' Rights: There has been debate about including references to human rights and/or taxpayers' rights.
- Complementarity with Other Institutions: There have been discussions about including references to the work of other institutions. Some developing countries have suggested that paragraph 20, which addresses work done in other fora, should be removed entirely.

- Addition of the Term "Coherence": The inclusion of the term "coherence" has also been proposed.

## **COMMITMENTS**

One of the first aspect debated was the understanding of the word “commitment” and what that would entail, and suggestions have been made by developed countries to change the should in could.

The topics listed for commitments were also debated among countries.

## **PROTOCOLS**

The discussions continued to focus both on the numbers of protocols and the topic to be covered. Developing countries have continued to show support for the taxation of the digitalized and globalized economy, cross-border services and high-net individuals. Some interested has been shown also for the prevention and resolution of disputes.

## **TIMELINE**

The debate centered on whether the current timeline (from 2025 to 2027) is feasible for delivering both the convention and early protocols. Many countries expressed concerns about assessing the alignment of the timeline, given the lack of agreement on the number and scope of the protocols. Some countries, particularly smaller OECD members, raised issues related to resource constraints and the technical complexity of the topics to be addressed. As the ICC, we emphasized the importance of evaluating the potential economic impact of any new rules and urged against making hasty decisions.

## **APPROACHES:**

The debate focused on the number of the members of the Committee that will be set up at the beginning of 2025 and tasked with the negotiation and drafting of the Framework Convention and potential early protocols.

However, as reported above, some countries have also publicly emphasized the importance of stakeholders engagement and some, more specifically, have indicated taxpayers’ engagement.