Catalogue

of proposals for Articles for the new
UN Framework Convention on International Tax Cooperation

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<u>Content</u>

Overall comments about the length, structure and substance of the UN Framework Convention on International Tax Cooperation

UN framework conventions, as well as protocols and similar instruments, take different forms, but typically, they are about 25 pages long.[1] This is substantially shorter than, for example, the OECD's draft Multilateral Convention to Implement Amount A of Pillar 1 (212 pages)[2]. A key difference between the UN approach and the OECD approach is that UN Framework Conventions tend to include mandates for the future Conference of the Parties (COP) to flesh out and adopt the detailed provisions that operationalize the Articles of the agreement.

This, however, does not mean that UN Framework Conventions are empty or "high level". They need to contain clear and specific commitments and define the agreements, mechanisms, overall procedures, concepts, timelines, subsidiary bodies and other provisions necessary to establish a clear framework and all necessary mandates for the future COP. With these frameworks and mandates, COPs can make decisions that are highly important and political, but do not go beyond the framework outlined by the Convention. When the COP reaches a point where a new mandate is needed (in the form of an agreement that is sent for signature and ratification by the Parties), there are two options, namely a Protocol, or an amendment to the Convention.

Protocols

For Protocols, it is important to note that these instruments usually entail a governance system separate from the COP (often referred to as "Meetings of the Parties" (MOP)), which meets and makes decisions separately (but often in parallel with the COP). For example, the most recent meeting of the Biodiversity Convention in 2024 was formally known as "COP 16/CP-MOP 11 / NP-MOP5", because it was the 16th meeting of the COP, organized in parallel with the 11th meeting of Parties the Cartagena Protocol and the 5th meeting of the Parties to the Nagoya Protocol.
Furthermore, while Member States must usually sign the Convention in order to join a Protocol under that Convention, they are not obligated to sign all Protocols. Therefore, the group of Parties to a Protocol can be smaller than the group of Parties to the Convention. As a consequence, a high number of protocols can lead to fragmentation, incoherence, and increased complexity within the overall governance structure.

Fragmentation in the UN Tax Convention process

This risk of fragmentation is already becoming visible in the UN Tax Convention process. The decision to develop two early protocols has resulted in three separate workstreams, with clear overlaps and substantial coordination challenges. For example, it currently appears as if the issue of disputes will be negotiated under in two separate Articles in the Convention, as well as in an Article in the first protocol, while at the same time being the central topic of the second protocol. This is already resulting in a lot of confusion, overlap and complexity.
Furthermore, the approach of developing protocols for individual commitments in the Framework Convention risks separating issues that belong together. For example, the

commitments related to taxation of multinational enterprises or high-net worth individuals cannot function effectively without the commitments related to information exchange. Similarly, the Article on sustainable development should be cross-cutting in nature and linked to all the other topics. The ToR present a holistic package of commitments that are interdependent and interlinked. If these commitments all become the subjects of separate protocols, the coherence will be lost.

Amendments to the Convention

Amendments to the Convention, on the other hand, do not entail the establishment of a separate governance structure, since the decision-making remains with the COP. This also means that amendments do not bring the same risk of fragmentation and protocols.
If regular amendments to the Convention are foreseen, one approach can be to include an annex that contains the provisions which will be subject to review. Annex A and B of the Kyoto Protocol are examples of such an approach. The advantage of this is that the amendments can be made without reopening the discussion about all the Articles in the Convention.

Ratifiable outcomes vs. COP decisions

However, it is important to stress that any document which requires ratification – whether it be a protocol or an amendment – creates an outcome which is much more time-consuming to produce (including the time and effort required to secure ratification and entry into force), and less flexible than COP decisions (which can be changed during every meeting of the COP). This is a key reason why UN agreements usually make use of COP decisions to flesh out all the details required to operationalize the decisions in the ratified agreements. It also means that if some of the details need to be updated, it can be done without triggering an entirely new ratification process.
At the same time, keeping the ratifiable agreements (the Convention, Protocols or amendments) succinct and free of details also ensures that decision-makers at the national level will be presented with a document that contains the key political decisions, but is not several hundreds of pages long.
Lastly, it is important to stress that the COP is a body which is fully controlled by the Parties to the Convention, and thus, while decision-making by the COP is different from a ratification process, it is still a highly Member State-led institution.

Can fiscal and financial issues be subject to COP decisions?

Some might hold the view that issues related to fiscal and financial matters cannot be subject to COP decisions, but must instead always be decided through ratifiable agreements. However, within the UN system, there are numerous examples of COPs (and – in the case of protocols – MOPs) making decisions on such issues – of course always based on a mandate from a ratified agreement. Within the Rio Conventions, issues related to the financial mechanisms and international financial support from developed to developing countries have generally been governed and implemented through COP and MOP decisions. For example:

- Under the UN Framework Convention on Climate Change, decisions concerning the "New collective quantified goal on climate finance" was adopted at COP 29 in Baku.[3]
- Under the Kyoto Protocol from 1997, the "Share of Proceeds", which is an international levy on the Clean Development Mechanism to support developing countries to meet the costs of adaptation, is mentioned in Article 12.8 of the Protocol, but has been operationalized through decisions under the COP and "CMP" (the Conference of the Parties serving as the Parties to the Kyoto Protocol (the Kyoto Protocol's version of a "MOP")).[4] The COP and CMP have, for example, made highly political decisions relating to the rate of the share of proceeds.[5]
- COP16 of the Convention on Biological Diversity (CBD), held in Cali, Colombia, in 2024[6] also made a decision to establish a 'Cali Fund', whereby companies profiting from the use of genetic information should contribute to the global fund one percent of their profits or 0.1 percent of their revenue, as an indicative rate'.[7]
- The Global Environment Facility, which functions as the financial mechanism to the Rio Convention, is governed by guidance adopted by the COPs of the Rio Conventions.[8]

Thus, it is possible for COPs to make political decisions on issues related to financial issues. That said, if there is a broadly held view among Member States that specific decisions should be adopted through a ratifiable agreement, there is always the option of developing either a protocol or an amendment to the Convention.
Issues related to the powers of the COP can also be linked to the question of the decision-making procedures of the COP, and different decision-making thresholds can be introduced for different types of COP decisions.

<u>Effectiveness, efficiency and coherence</u>
Keeping in mind the objective of the ToR for the future UN Framework Convention on International Tax Cooperation, including the aim of establishing an international tax system that is efficient and effective, there are strong arguments in favor of developing a UN Tax Convention that limits the need for future protocols, and fully resolves as many issues as possible under the Convention itself, while providing the mandate to the future COP to elaborate more details and operationalize the agreement.
Producing a UN Tax Convention with strong provisions and substance is also necessary in order to deliver the outcome that the ToR foresees, including the objective of establishing "an international tax system for sustainable development".

<u>Shall vs. agree</u>
The draft "template" for the UN Tax Convention, which was published on 24 October 2025, predominantly uses the expression "Parties agree". However, the standard formulation in legally binding UN agreements is "Parties shall", and thus, this is also the wording used in the Articles outlined below.

Article 4

FAIR ALLOCATION OF TAXING RIGHTS

1. Except as otherwise expressly provided in this Convention or any of its Protocols, every jurisdiction where economic activity takes place, has the right to tax the income or wealth generated from such economic activities within its jurisdiction.

2. The Conference of the Parties shall assess the fairness of allocation of taxing rights in relation to all types of taxation with potential cross-boundary effects. Based on such assessments the Conference of the Parties shall adopt further measures, as appropriate, and with the aim of promoting the fulfillment of the objectives of this Convention.

Comments on Article 4: Fair allocation of taxing rights

While there is a lot of focus on taxation of multinational enterprises and High-Net Worth Individuals, it is important that the UN Tax Convention covers all types of taxes with transboundary effects. The suggested paragraph 4.2 aims to address this point.

Article 4 bis

EQUITABLE TAXATION OF MULTINATIONAL ENTERPRISES

1. The Conference of the Parties shall initiate a transparent and party-driven negotiation process to develop a new international system to ensure fair, equitable, progressive, transparent and effective taxation of multinational enterprises, in accordance with the objectives and principles of this Convention. This process shall be open to participation by all Parties and observers.
2. The agreed outcome of the process mentioned in paragraph 1 of this Article shall:
   (a) Provide an international system to prevent illicit financial flows stemming from corporate tax avoidance and evasion;
   (b) Ensure that multinational enterprises are taxed as coherent entities, with taxes being paid in the States where economic activity takes place;
   (c) Serve to reduce inequality within and among States, and prevent harmful tax practices;
   (d) Provide an international system for taxing multinational enterprises on the basis of their global consolidated profits, with taxing rights being allocated fairly between States on the basis of an agreed formula; and
   (e) Include a mechanism to implement an effective global minimum corporate tax rate at a level high enough to prevent an international race to the bottom on corporate tax rates.
3. When developing the formula for fair allocation of taxing rights under paragraph 2(d) of this Article, the Conference of the Parties shall consider sector-specific circumstances and the option of introducing a system which applies different allocation criteria for different sectors;
4. The Conference of the Parties shall develop and adopt the rules and procedures for the full operationalization of this Article no later than its fourth meeting. In doing so, it shall be informed by the country-by-country reports which will be published in accordance with Article 6 ter of this Convention.
5. The rules and procedures adopted under paragraph 3 of this Article shall be subject to regular reviews by the Conference of the Parties, which shall also decide a timeline for such reviews.

Comments on Article 4 bis: Equitable taxation of multinational enterprises

Article 4 bis relates directly to paragraph 10(a) of the ToR, which foresees a commitment on fair allocation of taxing rights, including in relation to equitable taxation of multinational enterprises (MNEs).

The draft "template" for the UN Tax Convention, which was published on 24 October 2025, does not include a specific paragraph on taxation of MNEs. Instead, references to corporate taxation are scattered throughout the text, and in some cases, it is unclear whether the draft text refers to corporate taxation or not. Article 4 bis would increase the clarity and improve the structure of the Convention by introducing a specific Article on the issue of taxation of MNEs.

In terms of the approach to taxation of MNEs, one key aim of the Convention would be to replace the transfer pricing system and develop a new international corporate tax system that would ensure that MNEs are taxed as coherent entities and that a minimum effective corporate tax rate is introduced. Article 4 bis mandates an intergovernmental negotiation under the Convention to develop such a system.

Article 5

EFFECTIVE TAXATION OF HIGH-NET WORTH INDIVIDUALS

1. The Parties recognize that tax avoidance and tax evasion by high-net-worth individuals undermine the integrity, fairness, and progressivity of national and international tax systems, exacerbate inequalities within and among States, and impede the mobilization of resources necessary for achieving sustainable development. The Parties therefore commit to strengthened international cooperation to prevent, detect, and address such practices.
2. To this end, the Conference of the Parties shall adopt any provisions necessary to ensure that the Global Asset Register, as well as the related automatic information exchange and beneficial ownership transparency, contains all the information which is necessary to prevent tax evasion or avoidance by high-net-worth individuals, including data on structures and techniques used by high-net worth individuals, advisors, intermediaries, and related actors for the purposes of tax avoidance, tax evasion, or concealment of assets.
3. The Parties shall adopt coordinated approaches to ensure the effective taxation of high-net-worth individuals. For this purpose, the Conference of the Parties shall elaborate and adopt measures that:

    (a) Establish processes to identify high-net-worth individuals within national jurisdictions, based on nationally determined thresholds, and at the global level, taking into account all the relevant information provided through the Global Asset Registry established under Article 6;

    (b) Operationalize a coordinated system ensuring that high-net-worth individuals are effectively taxed on a progressive and equitable basis, including through a global minimum tax applicable to the world's wealthiest individuals, with progressively higher tax rates for high-net worth individuals;

    (c) Ensure that revenues raised through globally coordinated taxation of high-net-worth individuals contribute directly to sustainable development;

    (d) Provide for mechanisms to ensure compliance and the effectiveness of taxes on wealth and income of high-net worth individuals, including exit taxes, minimum post-departure tax liabilities, and other measures necessary to prevent erosion of the tax base and to counter tax-motivated relocation or concealment of assets;

    (e) Address the fair allocation of taxing rights between States with respect to the wealth and income of high-net-worth individuals, recognizing that the accumulation of such wealth reflects historical injustices and international economic activity, and that significant shares of existing global wealth have been generated across borders, including within developing countries and countries other than the residence countries of high-net worth individuals;

4. In developing and operationalizing the measures under this Article, the Conference of the Parties shall be guided by the objective of establishing an international tax system for sustainable development, taking into account the need to reduce inequalities within and among States, as well as address ecological debt and the disproportionately large ecological footprints of high-net-worth individuals. Furthermore, the Conference of the Parties shall be guided by the need to mobilize adequate public resources to meet global environmental and social needs.

5. The Conference of the Parties shall adopt the rules, procedures, and modalities necessary for the full implementation of this Article no later than its third meeting, and shall establish a regular review mechanism to ensure the effectiveness, transparency, and continued relevance of the measures adopted, in light of evolving global economic realities and wealth distribution.

Comments on Article 5: Effective Taxation of High-Net Worth Individuals

In accordance with 10(b) of the ToR, Article 5 is designed to prevent tax evasion and avoidance by high-net worth individuals and ensure their effective taxation. This includes outlining a process to identify HNWIs, both within countries (based on nationally specific thresholds), and at the global level. The Global Asset Register (see below under Article 6) will be essential in this context, including by identifying the true – beneficial – owners of assets.

The commitment to ensure "effective taxation" of the identified HNWI must include both approaches to be coordinated between Member States as well as international components, including a global minimum tax. This should include a commitment to delivering progressively higher tax rates for HNWIs, with revenues channeled toward sustainable development. It also includes measures to ensure compliance and effectiveness, including exit taxes and minimum post-departure tax liabilities.

The approach to taxing HNWIs should ultimately be anchored in the objective of establishing an "international tax system for sustainable development" (ToR para 7(c)), as outlined by the 2030 Agenda and the principle of common but differentiated responsibilities and respective capabilities, which includes tackling inequalities within and between countries, addressing ecological debt, and mobilizing financing for pressing environmental and social needs, and thereby ensuring that the implementation of a global minimum tax directly contributes to sustainable development outcomes.

For the world's wealthiest HNWIs, it should also be recognized that none of their existing wealth stocks originated solely from their country of residence, and the taxing rights to such wealth must include an international component, anchored in the objective of reducing inequalities and promoting sustainable development.

MUTUAL ADMINISTRATIVE ASSISTANCE, INCLUDING TRANSPARENCY AND EXCHANGE OF INFORMATION

Article 6 bis

GLOBAL ASSET REGISTER

1. A global asset register is hereby established. The register shall support Parties in accessing the information necessary to ensure effective, fair, progressive and efficient tax systems, including with respect to combating tax-related illicit financial flows. Furthermore, the register shall serve to increase the public availability and accessibility of information concerning, inter alia, ownership structures, wealth and inequalities. For this purpose, the register shall include a component with public information, as well as a component with confidential information which is subject to specific data protection requirements and only assessable to competent authorities.

2. The functions and modalities of the register shall be further elaborated by the Conference of the Parties, which shall also consider and agree detailed rules and procedures for the exchange, receipt, protection and use of the confidential information, as well as effective and timely publication of public information in machine readable formats.

3. The Conference of the Parties shall periodically evaluate the effectiveness of the global asset register, including to ensure that the data provided is sufficiently comprehensive, accurate, and timely, as well as to identify any needs for further measures, with a view to ensuring that the global asset register effectively supports the achievement of the objectives and commitments of the Convention.

Article 6 ter

PUBLIC COUNTRY-BY-COUNTRY REPORTING

1. Each Party shall take appropriate legislative measures to ensure that all large multinational enterprises operating within their jurisdictions submit country-by-country reports on an annual basis to the Secretariat of the Convention, containing at least the following information:
    (a) Name, description and tax residence of all entities;
    (b) Revenues of all entities of the enterprise on a country-by-country basis, distinguishing between transactions with associated entities and non-associated entities;
    (c) Profit or loss before income tax on a country-by-country basis;
    (d) Income tax paid on a cash basis, for each jurisdiction in which the enterprise is present or operates, distinguishing between corporate income tax paid and withholding tax paid;
    (e) Income tax accrued for the year of reporting, for each jurisdiction in which the enterprise is present or operates;
    (f) Stated capital on a country-by-country basis;
    (g) Accumulated earnings on a country-by-country basis;
    (h) Number of employees on a full-time equivalent basis for each jurisdiction in which the enterprise is present or operates;
    (i) Tangible assets other than cash and cash equivalents on a country-by-country basis;
    (j) Public subsidies received; and
    (k) Explanations for any difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.
2. For the purpose of this Article, the Conference of the Parties shall establish a definition of what constitutes a "*large multinational enterprise*" at its first meeting.
3. Each Party to this Convention that is not a developing country shall ensure that the legislation mentioned in paragraph 1 of this Article is in place no later than two years after the entry into force of the Convention. Developing country Parties shall ensure that the legislation is in place within a timeline to be determined by the Conference of the Parties, while taking into account their different capacities and national circumstances.
4. The Secretariat shall ensure that, within three months of receipt, all country-by-country reports are published in the UN Global Asset Register established under Article 6 bis.
5. The Conference of the Parties shall review the effectiveness and level of implementation of this Article every three years unless it decides otherwise. In the context of such reviews, the Conference of the Parties shall assess the need to expand the reporting beyond the elements listed in paragraph 1 of this Article, as well as the need to broaden the definition adopted under paragraph 2. Based on these reviews, the Conference of the Parties shall take further action, as appropriate.

Comments on Article 6 ter: Public country-by-country reporting

Article 6 bis contains a relatively high amount of detail. The reason for this is that the Article is designed to become fully operational relatively quickly after the entry into force of the Convention. However, at the same time, the Article includes a mandate for the COP to review and refine the specific details contained in the Article.

Country-by-country reports are important because they provide an overview of where multinational enterprises do business and how much tax they pay in each country where they operate. Thus, they are key instruments for detecting large-scale corporate tax avoidance and assessing the fairness and effectiveness of the international corporate tax system. Today, country-by-country reporting is a part of the OECD's BEPS rules, but the information is not public. Instead, the information is usually collected by the country where a multinational enterprise is headquartered, and then exchanged secretly between tax administrations. However, many countries, and in particular developing countries, have very limited, if any, access to such reports.[9] Meanwhile, public country-by-country reporting has been introduced for banks in the EU.[10] Furthermore, a voluntary standard for public country-by-country reporting has been developed by the Global Reporting Initiative (GRI).[11]

The proposed Article is designed to do two things. Firstly, it aims to ensure that country-by-country reports from multinational enterprises start becoming available to all countries, as well as the public, relatively quickly after the Convention enters into force. This would, for example, mean that a reform of the international corporate tax system under the Convention could be informed by data from such country-by-country reports. At the same time, the Article also includes a review, which would ensure that the requirements in the article are kept up to date and any problems that arise can be addressed.
Until the first review (foreseen to take place after three years), the reporting requirements would be those outlined in paragraph 1 of Article 6 ter, which draws heavily on a voluntary standard developed by GRI.[12]
Article 6 ter also includes a differentiation between developed countries, which are required to introduce the reporting requirements within two years after the entry into force of the Convention, and developing countries, which are not given a specific deadline.

Article 6 quat

AUTOMATIC INFORMATION EXCHANGE

1. A mechanism for automatic information exchange is hereby established with the purpose of providing exchange of information between Parties. Through this mechanism, all Parties shall have equal access to automatic information exchange with all other Parties in a non-discriminatory way. The automatic exchange mechanism shall form an integral part of the global asset register established under the Convention.
2. On the basis of a commonly agreed standard, which shall be developed and agreed by the Conference of the Parties at its first meeting, each Party to this Convention shall monitor and collect all relevant information, including banking information, concerning foreign citizens, companies, trusts or similar legal structures, which is or may be of importance to ensuring the fairness, equitableness, progressivity, transparency and effectiveness of the domestic tax system of any other Party. Furthermore, each Party shall ensure the effective, efficient and timely exchange of such information with the Party concerned through the mechanism for automatic information exchange. In particular, information shall be exchanged that could be helpful to the Party concerned in preventing avoidance or evasion of taxes of every kind, insofar as such taxes are not contrary to the Convention.
3. All Parties that are not developing countries shall implement and comply with the standard developed under paragraph 2 of this Article no later than three years after the entry into force of the Convention. Developing country Parties shall do so as appropriate and in accordance with their national capacity, within a timeline to be determined by the Conference of the Parties. During a transition period to be determined by the Conference of the Parties, developing country Parties with capacity constraints, including least developed countries, shall be allowed to receive information on a non-reciprocal basis.
4. Developed country Parties commit to technology transfer to ensure that developing country Parties have full access to the technology, including digital tools, to comply with the requirements in this Article.
5. The functions and modalities of the mechanism for automatic information exchange shall be further elaborated by the Conference of the Parties, which shall also consider and agree detailed rules and procedures for the exchange, receipt, protection and use of the information related to this mechanism.

Comments on Article 6 quat: Automatic exchange of information

This article sets up a mechanism, under the Global Asset Register, to ensure that all the Parties to the Convention will be able to automatically access the information they need to collect taxes. This system obliges all signatories to the Convention to provide automatic information exchange to all other Parties, as long as requirements relating to protection data are fulfilled.

The proposed article also provides a solution to the problem that some countries, and in particular least developed countries, currently lack the capacity to collect and provide information to other countries. The Article aims to accommodate this by introducing a transition period in which such countries can receive information on a non-reciprocal basis. Furthermore, the Article specifies that developed countries shall support developing countries to obtain the technology necessary to comply with the Article.

Article 6 quin

BENEFICIAL OWNERSHIP TRANSPARENCY

1. Each Party shall establish a national beneficial ownership register in accordance with a standard to be elaborated and adopted by the Conference of the Parties at its first meeting, and ensure that this register is directly connected to the Global Asset Register established under Article 6 bis.
2. The standard for national beneficial ownership registers shall ensure that all Parties collect and share all the information necessary to ensure effective taxation in accordance with this Convention, including, but not limited to, information about the beneficial owners of assets, property, companies, trust, and similar legal vehicles, as well as crypto assets.
3. Within its national beneficial ownership register, each Party shall publish the following information about the beneficial owner(s) of all companies, trusts and similar legal structures registered, administered, controlled or operating within their jurisdiction:
   (a) Name;
   (b) Month and year of birth;
   (c) Country of residence and nationality; and
   (d) Nature and extent of beneficial interests held.
4. Each Party that is not a developing country shall ensure that its national beneficial ownership register is kept fully up to date, beginning two years after the entry into force of the Convention, and that updates are directly transferred to the Global Asset Register. Developing countries shall do so as appropriate and in accordance with their national capacity, within a timeline to be determined by the Conference of the Parties.
5. The Conference of the Parties shall conduct a review of this Article five years after the entry into force of the Convention and take further action, as appropriate.

Comments on Article 6: Beneficial ownership transparency

Article 6 is designed to ensure that all Parties to the Convention, as well as the public, can benefit from an international system of transparency around beneficial owners.
Public registers of beneficial owners will provide information that is central for the effectiveness of the Convention, including by exposing international tax abuse and injustice.
Article 6 is designed to ensure that sharing of beneficial ownership information begins relatively soon after the Convention has entered into force. However, at the same time, Article 6 recognizes that it is central to ensure that the interests of all countries, including developing countries, are reflected in an international system for beneficial ownership transparency. Therefore, Article 6 foresees a full review of the system five years after the entry into force of the Convention. Lastly, the Article includes a differentiation between developed countries, which are required to introduce beneficial ownership transparency within two years after the entry into force of the Convention, and developing countries, which are not given a specific deadline.

Article 8
HARMFUL TAX PRACTICES

New paragraph:

Addition to Article 8 (HARMFUL TAX PRACTICES):

1. Tax practices in one jurisdiction are considered harmful if they undermine the fairness or effectiveness of the tax system in another jurisdiction. The Conference of the Parties shall carry out assessments to identify potentially harmful tax practices in relation to all types of taxes. Based on such assessments the Conference of the Parties shall adopt further measures, as appropriate, and with the aim of promoting the fulfillment of the objectives of this Convention, including by identifying and abolishing harmful tax practices.

Comments on Article 8: Harmful Tax Practices

While there is a lot of focus on taxation of multinational enterprises and High-Net Worth Individuals, it is important that the UN Tax Convention covers all types of taxes with transboundary effects. The suggested addition to Article 8 aims to address this point.

Article 9

SUSTAINABLE DEVELOPMENT

1) Taking into account the different needs, priorities, and capacities of countries, including developing countries, the Parties shall deliver international tax cooperation approaches to contribute to the achievement of sustainable development in its three dimensions, economic, social and environmental in a balanced and integrated manner.

2) Each Party shall report regularly on its implementation of the commitments under this Article to the Secretariat of the Convention. The specific rules and modalities for reporting shall be developed by the Conference of the Parties, and shall reflect the different needs, priorities and capacities of Parties, including developing countries.

3) The Conference of the Parties shall review the implementation of this Article as a standing agenda item during each meeting. For this purpose, the Secretariat of this Convention shall prepare a Summary Report, which shall be informed by, inter alia, the information submitted by the Parties to the Secretariat under the Convention, as well as other relevant sources of information, including information submitted by observers. Following each review, the Conference of the Parties shall adopt recommendations consistent with this Article.

4) In the context of this Article, tax cooperation approaches shall include:

   a) International tax-based mechanisms for sustainable development;

   b) Identifying and addressing instances where the extraterritorial impact of a Party's tax system undermines the ability of other Parties to effectively exercise their taxing rights and make use of their tax systems to promote sustainable development;

   c) International cooperation and transparency to ensure policy coherence between fiscal policies and sustainable development. This means, inter alia, ensuring that at the overall level, there is coherence between the spending of tax revenue and all relevant international obligations and commitments of a Party, including commitments to provide international finance from developed to developing countries.

5) When implementing this Article, the Parties shall take a broad and inclusive approach to the concept of sustainable development. This entails assuring the realization of human rights and addressing discrimination and inequalities in all its forms, both between and within countries, including in relation to economic, gender, racial, work and descent, inter-generational and other relevant inequalities, as well as inequalities stemming from historical injustices, including colonialism and enslavement. It also includes addressing intersectionalities between such inequalities.

6) In promoting policy coherence for sustainable development, the Parties shall ensure that their tax systems and fiscal policies contribute to the fulfillment of all relevant UN targets, commitments and obligations. This includes, but is not limited to, implementation of Agenda 2030; protecting labor rights, including social security and decent work; the rights of people with disabilities; indigenous peoples' rights; alignment with existing substantive gender equality commitments, including the Beijing Declaration and Platform for Action as well as Convention on the Elimination of all Forms of Discrimination Against Women; promoting and protecting the rights of people of African descent and other people discriminated on the basis of work and descent, including through implementation of the Durban Declaration and Programme of Action and the

International Convention on the Elimination of Racial Discrimination; promoting and protecting the rights of children and youth, including through implementation of the UN Convention on the Rights of the Child, as well as meeting the needs of the present without compromising the ability of future generations to meet their own needs; non-discrimination, in a balanced, integrated and people-centered manner, and ensuring that no one is left behind; ensuring that efforts first reach the most structurally marginalized, as well as groups affected by multiple forms of discrimination; the obligations to mitigate and adapt to, and respond to loss and damage from, climate change and to protect and restore ecosystems and biodiversity; as well as the commitments by developed countries to provide new and additional resources for developing countries within the framework of the Rio Conventions. It also includes the human rights obligations of Parties, paying particular attention to the right to development and the realization of economic, social, and cultural rights to the maximum of their available resources, including the financing of universal public services such as education, health, and social protection, including floors, as well as environmental rights and democratic fiscal governance and participatory decision-making.

Comments on Article 9: Sustainable development

A very central part of the objective of the Convention is to establish an "*international tax system for sustainable development*" (ToR para 7(c)). With that in mind, Article 9 aims to establish a clear link between taxation and sustainable development. This takes the form of a commitment to policy coherence, and related reporting obligations by Parties, while acknowledging the different needs, priorities and capacities of countries, in line with principle contained in para 9(a) of the ToR.

Through Article 9(3), the reporting is followed by an intergovernmental annual review of the implementation of the Article.

Article 9 bis

TAX AND ENVIRONMENTAL CHALLENGES

1. Taking into account the different needs, priorities and capacities of countries, and in particular of developing countries, the Parties shall promote environmental sustainability through progressive environmental taxation, which contributes to environmental, economic and social objectives in a balanced and integrated manner.

2. The Parties shall ensure that national and international tax systems, and mechanisms under this Convention, operate in line with the principles of common but differentiated responsibilities and respective capabilities, as well as progressivity, precaution, prevention, historical responsibility, and polluter pays, with a particular focus on industries and high-net worth individuals with excessive ecological footprints. Furthermore, they shall ensure that tax systems promote internationally agreed targets, obligations and commitments to end environmentally harmful activities and the mobilization of international climate finance for developing countries.

3. An international polluter pays mechanism for multinational enterprises is hereby established. It shall introduce an internationally applied "polluter pays" surtax on the global profits of polluting and environmentally damaging industries. Revenues shall, through UN multilateral funds, be used to promote sustainable development. This includes funding to mitigate, adapt to, and address the loss and damage stemming from climate change and environmental degradation; and to catalyze a just socio-ecological transition. The Conference of the Parties shall operationalize and adopt the mechanism no later than 2028, including by determining common rules, in-scope companies, tax base, tax rate, and transparency requirements, as well as effective rules and mechanisms to ensure compliance and allocation of the revenue.

Comments on Article 9 bis: Tax and Environmental Challenges

Article 9 bis aims to address the issue of environmental sustainability by stressing the links between taxation and key principles of international environmental law, including common but differentiated responsibilities (CBDR), the polluter pays principle and the precautionary principle. In this context, the wording of Article 9 bis draws directly on the wording from the Rio Declaration principles 7 (CBDR), 15 (precaution) and 16 (polluter pays). The Article also stresses the responsibility of actors with an excessively large ecological footprint, including polluting industries and high-net worth individuals.

Article 9 bis (3) aims to operationalize the polluter pays principle for highly polluting industries by establishing a mechanism to introduce an internationally applied polluter pays tax on the global profits of such industries.

Article 9 ter

TAX AND GENDER EQUALITY

1. The Parties to this Convention shall establish a standard to assess the gender-responsiveness of this Convention and its Protocols, as a contribution towards the fulfillment of existing UN obligations, commitments and targets, and to ensure the full realization of the rights of women and girls and gender minorities, while addressing their intersectional inequalities. For this purpose, and while bearing in mind the different needs, priorities and capacities of Parties, including developing countries, the Conference of the Parties shall develop a standard, including specific gender transformative methodologies and tools for designing, monitoring and evaluating the Convention and its Protocols. Furthermore, the standard will be accompanied by a roadmap for implementation and regular reviews by the Conference of the Parties, beginning no later than 2030.

2. Through the standard, the Parties shall be required to maintain transparency and accountability systems towards their commitments and obligations on gender equality and tax, investing in the production of gender-disaggregated data to inform measures to address existing and intersecting inequalities, gender-differentiated needs and gender discrimination within tax systems. This shall include the effects that a Party's tax system has on gender equality within its own jurisdiction, as well as any potential spill-over effects on the tax systems of other Parties, particularly developing countries.

3. As an integrated part of the roadmap for implementation, the Parties shall carry out periodical national assessments of the implementation of this standard, taking into account the commitments of non-retrogression of rights and maximum available resources to ensure substantive gender equality, including recognition of the unpaid or underpaid care work.

Comments on Article 9 ter: Tax and Gender Equality

Article 9 ter builds on the outcome document of the 4th Financing for Development Conference, and in particular paragraph 27(g), which states: *"We will promote gender-responsive budgeting, in line with countries' national strategies, priorities and circumstances, and advance discussion on gender responsive taxation. To achieve this, we will develop and enhance methodologies and tools for designing, monitoring and evaluating budgets with a gender perspective by building capacity to identify and address gender biases within tax systems, alongside capacity development;"*

The proposal in Article 9 ter is to advance the discussion on gender responsive taxation by introducing it as a component in the UN Framework Convention on International Tax Cooperation, and mandating the COP to develop the approaches necessary for effective implementation.

New Article

EXTRACTIVE INDUSTRIES

1. In recognition of the unique characteristics of the extractive sector, the Parties to this Convention shall undertake specific measures to ensure effective taxation of extractive industries in source countries, including by ensuring a fair allocation of taxing rights that prioritizes jurisdictions where extraction takes place, as well as combating sector-specific illicit financial flows and harmful tax practices, including tax incentives.

2. In this context, the Conference of the Parties shall develop and agree specific methods to ensure correct valuation of natural resources as well as raw or under-processed materials. The valuation methods shall reflect the long-term cost of permanent losses of non-renewable natural resources, as well as the environmental and social impacts of extraction, including environmental degradation and the impacts on local communities. These valuation methods should serve as the basis for determining fair tax measures for extractive industries.

3. While ensuring fair and effective taxation of the extractive sector, the Parties to the Convention shall also reinforce efforts to promote sustainable development, including by ensuring economic diversification and by promoting the just socio-ecological transition. The Parties shall also ensure full compliance with the rights of workers, as well as indigenous peoples and local communities, including the right to free prior and informed consent and full compensation for any social or environmental damage of extraction.

Article 12

RELATIONS WITH OTHER AGREEMENTS, INSTRUMENTS AND DOMESTIC LAW

1. In order to promote the implementation of this Convention, each Party shall review any tax treaties or tax-related treaties that it has entered into. In cases where a treaty is found to be inconsistent with the objectives or principles of the Convention, or with the obligations and commitments of the Party under the Convention, the Party shall ensure that such a treaty is renegotiated or terminated.

Comments on Article 12: Relations with other agreements, instruments and domestic law

This Article addresses tax-related treaties that conflict with the Convention and obliges each Party to review its treaty network and resolve such issues, including by renegotiating or terminating treaties. This obligation should also be seen in the context that – due to the limitations they can impose on taxing rights, as well as risks related to tax abuse – tax treaties have repeatedly been raised as a point of concern, especially for developing countries. For example, the IMF has highlighted that tax treaties "*continue to impose revenue risks for developing countries*", and that the evidence regarding the positive effects of such treaties is ambiguous.[13]

The option of terminating treaties is also included in the OECD's Base Erosion and Profit Shifting (BEPS) Action 6 on Treaty Abuse, but here a much more careful approach is taken to this issue, as the final report on Action 6 flags the "*question of whether a State should seek to modify or replace an existing treaty or even, as a last resort, terminate a treaty*".[14] One potential reason for this cautious approach is the resistance that some countries, and not least the United States, have had to the idea of treaty termination. For example, Professor Omri Marian has quoted the US Department of Treasury for referring to it as a "nuclear weapon".[15] However, it is a fact that fundamental reforms of the international corporate tax system will be very difficult to carry out unless countries are ready to change or remove the more than 3,000 double tax agreements that reflect the tax standards and system of the past.

As can be seen in the OECD's multilateral instrument on BEPS, the OECD has chosen a "half way" approach, in the sense that it has opted for using a multilateral approach to introduce mass changes to bilateral treaties, while leaving it up to countries and jurisdictions to decide whether some or all of the obligations in the multilateral instrument should be introduced to all or only some of their treaties.[16] The result is a very complex matrix of multilateral and bilateral commitments and obligations, as can be seen, for example, in the OECD's "*matching Database*", which outlines the many different choices that countries and jurisdictions have made.[17] A central aim of the UN Tax Convention is to replace this complex system with a truly multilateral system, whereby the Parties to the Convention develop joint rules, mechanisms and practices under the Convention instead of through bilateral treaties. This will require changing or removing tax treaties that conflict with the Convention, which is the logic behind the proposed Article 12.

Article 17

CONFERENCE OF THE PARTIES

1. A Conference of the Parties is hereby established.
2. The Conference of the Parties, as the supreme body of this Convention, shall keep under regular review the implementation of the Convention and any related legal instruments that the Conference of the Parties may adopt. It shall make, within its mandate, the decisions necessary to promote the effective implementation of the Convention.
3. The Conference of the Parties shall, at its first session, adopt its own rules of procedure, as well as those of the subsidiary bodies established by this Convention.
4. The first meeting of the Conference of the Parties shall be convened by the Secretary-General of the United Nations Economic and Social Council no later than one year after the entry into force of the Convention. Thereafter, ordinary meetings of the Conference of the Parties shall be held every year, unless otherwise decided by the Conference of the Parties.
5. Extraordinary sessions of the Conference of the Parties shall be held at such other times as may be deemed necessary by the Conference, or at the written request of any Party, provided that, within six months of the request being communicated to the Parties by the Secretariat, it is supported by at least one third of the Parties.
6. The Conference of the Parties shall establish such subsidiary bodies as are necessary to implement, and achieve the objectives of, the Convention.
7. The UN and its specialized agencies and economic commissions, as well as parliamentarians and any State not party to this Convention, may be represented as observers at meetings of the Conference of the Parties. The Conference of the Parties shall operate in a transparent and participatory manner, and any body or agency – whether national or international, governmental or non-governmental – that is qualified within the matters covered by the Convention, and that has informed the Secretariat of its wish to be represented at a session of the Conference of the Parties as an observer, may be so admitted unless at least one third of the Parties present object. The admission and participation of observers shall be subject to the rules of procedure adopted by the Conference of the Parties.
8. International organizations, civil society and other relevant stakeholders are encouraged to contribute to the work of the Conference of the Parties in accordance with established practices.

Comments on Article 17: Conference of the Parties

Article 17 establishes a Conference of the Parties (COP) as the supreme body of the Convention. This is a standard approach that can be found in numerous UN agreements. The COP brings together the Parties to the Convention and will be the place to review implementation and take further decisions. Thus, it plays a very central governance role and is vital for ensuring that the processes and decision-making under the Convention have the ownership of, and is led by, the Parties to the Convention.

In addition to UN agreements, the concept of a COP is also, for example, included in the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, but with a different approach in the sense that, while the Parties "may convene a Conference of the Parties", there is no obligation to do so.[18] Under the proposed UN Convention on Tax, the COP is set to take place on an annual basis unless the Parties decide otherwise. This is similar, for example, to the case for the COP under the UN Framework Convention on Climate Change.[19]

In the UN system, the COPs of different conventions are also usually central for ensuring transparency, government accountability and effective participation of observers.

Paragraph 7 of the Article specifies that the COP shall operate in a transparent and participatory manner. Furthermore, it outlines a procedure for admission of both governmental and non-governmental observers, which is largely similar to what can be found in a number of other UN Conventions.[20] In comparison, the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting does not contain any procedure regarding admission of observers to the COP[21] and tax-related intergovernmental meetings at the OECD are commonly closed to observers such as civil society.

Paragraph 7 also specifies that parliamentarians should be allowed to participate as observers in the meetings of the COP. While this is common practice under many UN Conventions, the participation of parliamentarians is not commonly mentioned explicitly in the text of the Convention. Within the UN system there does, however, seem to be broad recognition of the importance of their participation, and the issue is, for example, included in the UN Addis Ababa Action Agenda on Financing for Development.[22] The central role of parliamentarians is also highlighted in the UN 2030 Agenda for Sustainable Development.[23]

Paragraph 8 of the Article draws directly on the ToR for the UN Framework Convention on International Tax Cooperation, which encourages civil society and other relevant stakeholders to contribute to the work around the UN Tax Convention.

COP vs. COSP

The proposed Article uses the term "Conference of the Parties" (COP), which is the most commonly used term, and also the term used in the ToR for the UN Tax Convention (paragraph 13 of the ToR). A few UN Conventions, such as the Convention Against Corruption[24], uses the term "State Parties" as opposed to parties – both in relation to the governing body (which then becomes the "COSP"), and throughout the Convention text itself. However, especially since some UN Conventions allow for Parties that are not States, it can have unforeseen consequences if the provisions of the Convention only apply to "State Parties". Furthermore, in general, the added value of the word "State" is very unclear.

[1] See, for example, the UN Framework Convention on Climate Change (UNFCCC) (24 pages), the Paris Agreement (25 pages), the Convention on Biological Diversity (30 pages), the Kyoto Protocol (20 pages), the WHO Framework Convention on Tobacco Control (23 pages), the Nagoya Protocol (25 pages), the UN Convention Against Corruption (56 pages), or the Agreement Under UNCLOS on the Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdictions (BBNJ) (62 pages)

[2] OECD, 'Multilateral Convention to Implement Amount A of Pillar 1', 11 October 2023, https://www.oecd.org/en/topics/sub-issues/reallocation-of-taxing-rights-to-market-jurisdictions/multilateral-convention-to-implement-amount-a-of-pillar-one.html#:~:text=The%20Multilateral%20Convention%20to%20Implement,tax%20certainty%20and%20removes%20digital

[3] United Nations, '1/CMA.6 New collective quantified goal on climate finance', paragraphs 7-8, contained in the Report of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on its sixth session, held in Baku from 11 to 24 November 2024. Addendum. Part two: Action taken by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session', FCCC/PA/CMA/2024/17/Add.1, published 27 March 2025, https://unfccc.int/documents/644937

[4] United Nations, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', Adopted 11 December 1997, Article 12.8, http://unfccc.int/resource/docs/convkp/kpeng.pdf

[5] United Nations Framework Convention on Climate Change, 'Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol', Decision 17/CP.7, FCCC/CP/2001/13/Add.2, adopted 2001, paragraph 15, https://unfccc.int/files/meetings/workshops/other_meetings/application/pdf/17cp7.pdf

[6] United Nations, Convention on Biological Diversity, CBD/COP/16/L.32/Rev.1, ' Digital sequence information on genetic resources', 1 November 2024, https://www.cbd.int/doc/c/bd4f/2861/9dce4f46d43a637231a442e0/cop-16-l-32-rev1-en.pdf

[7] United Nations, Convention on Biological Diversity, CBD/COP/16/L.32/Rev.1, ' Digital sequence information on genetic resources', 1 November 2024, https://www.cbd.int/doc/c/bd4f/2861/9dce4f46d43a637231a442e0/cop-16-l-32-rev1-en.pdf

[8] See, for example, Global Environment Facility, ' United Nations Framework Convention on Climate Change, Guidance From the Conference of the Parties and Responses by the Global Environment Facility, COP1 – COP26', 2022, https://www.thegef.org/sites/default/files/documents/2022-11/GEF_UNFCCC_guidance_cops_responses_cop26_2022_11.pdf

[9] Eurodad et al., 'Financing Development', May 2024, https://assets.nationbuilder.com/eurodad/pages/3533/attachments/original/1716387245/01_DRM-report-EN-digital.pdf?1716387245

[10] Official Journal of the European Union (2013), Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, published 27 June 2013, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:En:PDF , Article 89

[11] Global Reporting Initiative, 'GRI 207: Tax 2019', 2020, https://www.globalreporting.org/pdf.ashx?id=12434

[12] Global Reporting Initiative, 'GRI 207: Tax 2019', 2020, https://www.globalreporting.org/pdf.ashx?id=12434

[13] IMF, 'Corporate taxation in the global economy', March 2019, Policy Paper no. 19/007, p. 59, https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/03/08/Corporate-Taxation-in-the-Global-Economy-46650

[14] OECD, 'OECD/G20 Base Erosion and Profit Shifting Project Preventing the Granting of Treaty Benefits in Inappropriate Circumstances', 2015, p. 94, https://www.oecd.org/content/dam/oecd/en/publications/reports/2015/10/preventing-the-granting-of-treaty-benefits-in-inappropriate-circumstances-action-6-2015-final-report_g1g5906e/9789264241695-en.pdf

[15] Omri Marian, 'Unilateral Responses to Tax Treaty Abuse: A Functional Approach', University of Florida Levin College of Law, 2016, https://scholarship.law.ufl.edu/cgi/viewcontent.cgi?article=1780&context=facultypub

[16] OECD, 'Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting', adopted 2016, https://www.oecd.org/tax/treaties/multilateral-convention-to-implement-tax-treaty-related-measures-to-prevent-BEPS.pdf

[17] See OECD, 'Matching Database', https://www.oecd.org/tax/treaties/mli-matching-database.htm

[18] OECD, 'Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting', adopted 2016, Article 31, https://www.oecd.org/tax/treaties/multilateral-convention-to-implement-tax-treaty-related-measures-to-prevent-BEPS.pdf

[19] United Nations, 'United Nations Framework Convention on Climate Change', adopted 1992, Article 7.4, https://unfccc.int/process-and-meetings/the-convention/history-of-the-convention/convention-documents

[20] See for example United Nations, 'Convention on Biological Diversity', adopted 1992, Article 23.5, https://www.cbd.int/doc/legal/cbd-en.pdf ; United Nations, 'United Nations Framework Convention on Climate Change', adopted 1992, Article 7.6, https://unfccc.int/process-and-meetings/the-convention/history-of-the-convention/convention-documents ; or United Nations Environment Programme, 'Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal', revised in 2019, Article 15.6, http://www.basel.int/Portals/4/download.aspx?d=UNEP-CHW-IMPL-CONVTEXT.English.pdf

[21] OECD, 'Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting', adopted 2016, https://www.oecd.org/tax/treaties/multilateral-convention-to-implement-tax-treaty-related-measures-to-prevent-BEPS.pdf

[22] United Nations, 'Addis Ababa Action Agenda of the Third International Conference on Financing for Development', adopted 2015, paragraph 130, https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf

[23] United Nations General Assembly, 'Resolution adopted by the General Assembly on 25 September 2015. 70/1. Transforming our world: the 2030 Agenda for Sustainable Development', paragraph 45, A/RES/70/1, 2015, https://sdgs.un.org/2030agenda

[24] United Nations, 'United Nations Convention Against Corruption', adopted 2003, https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf