



The FfD Chronicle

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

COP IN!

The Co-Leads draft of 22 January 2026 has several references to future measures that *"may be agreed by the States Parties from time to time through protocols or other instruments."* As mentioned in our statement yesterday, we strongly call for this text to include decisions that may be agreed by the COP.

In fact, we have repeatedly highlighted that the COP plays a key role under all UN Conventions as a place where the political mandates from the Convention are fleshed out and operationalized.

We are being told that tax is a special issue, of high importance to national sovereignty, and therefore, it would be impossible for the Convention to mandate a COP to do work on tax.

Honestly, we are very surprised to hear this – especially from countries that are members of the OECD's Inclusive Framework. The Inclusive Framework has – for the last decade – been behaving like a decision-making body on global tax rules, and it adopts very long documents related to international tax cooperation. It has done so for BEPS1, and recently, the Inclusive Framework made the controversial decision that the largest economy in the world should be exempt from the corporate minimum tax rules. Instead of being called COP decisions, the Inclusive Framework calls its decisions commentaries.

And rather than being mandated by a UN Convention, the Inclusive Framework operates with a mandate that is very unclear to us. In fact, it sometimes appears as if the Inclusive Framework is getting its mandates from the G20, or even the G7, which are not inclusive and legitimate bodies to make decisions on global tax matters.

The Inclusive Framework is also a highly opaque body that doesn't comply with the transparency standards that usually characterize a UN COP, and we have not been able to find out what the rules of procedure of the Inclusive Framework is. At one point, it was said that it would only make decisions on the basis of consensus, but it has now become very clear that that is not the case.

And lastly, a third of the UN Member States are not members of the Inclusive Framework.

To the countries that are concerned about national sovereignty, we ask: why are you not concerned about the OECD's Inclusive Framework? The truth is that a UN COP could bring a democratic upgrade to international tax governance. This is very important, because tax is not just an issue of national sovereignty – it is also a core issue of democracy.

Our focus on the COP is not to say that protocols don't have a role to play. When the work of the COP has progressed so far that a new mandate is needed, protocols provide an opportunity to adopt a new legally binding text.

But every protocol brings a risk of fragmentation.

And speaking of fragmentation, we strongly believe it doesn't make sense to have a UN Tax Convention that does not include the mechanisms necessary to provide the information needed by Parties to exercise the taxing rights that will be decided under the Convention. It really doesn't seem workable if the UN Tax Convention would have to go to the OECD and ask for the information needed to implement its decisions.

The UN Tax Convention can build on lessons learnt – including about what doesn't work. But we must have a Convention that includes all the components necessary to achieve its objectives.

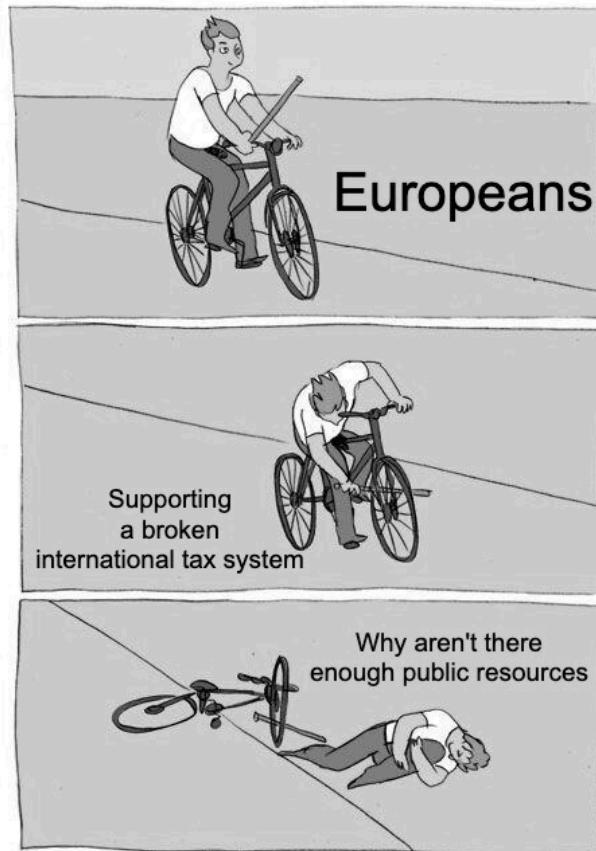


EUROPEANS, GET RID OF THE IRISH-DUTCH-SWISS-LUXEMBOURGISH SANDWICH

One thing we are really having a hard time understanding this week, is why countries, who have every interest in establishing a fair, effective and coherent global tax system are defending things, which de facto result in shooting themself in the foot. The bullet in this case is harmful tax practices (HTPs).

Let's take the example of Europe which, at least in terms of HTPs, is a very diverse continent. Extensive research (including from the EU Tax Observatory) has highlighted the Netherlands, Ireland, Switzerland and Luxembourg as some of the main destinations for profit shifting in the last decade. For instance, the Luxleaks revelations disclosed how hundreds of multinational corporations were benefiting from "special treatment" from Luxembourg while declaring very little income in other European countries where they had some real activities. The "EU state aid cases" show that the "sweetheart deals" is a common practice for some EU countries, resulting in their neighbors (and other many countries) losing on much needed tax revenue.

It is then very hard to understand, dear delegates, why European countries have been united in advocating for weakening Article 8, which could otherwise provide much needed hope to all countries that are currently the victims of harmful tax practices in neighboring countries. When it comes to developing new and truly effective measures to stop the race to the bottom, the UN Tax Convention is the place that can deliver real solutions (please don't tell us Pillar 2 will become effective - by now, it's very clear to everyone that that thing is a very sad joke!). So why are European countries shooting themselves in the foot - is it Stockholm syndrome or are you caught in a quadruple Irish-Dutch-Swiss-Luxembourgish sandwich?



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CIVIL SOCIETY PRESENTS

INFORMAL INFORMAL

Party

AN EVENT TO CLOSE WEEK ONE OF THE UN TAX CONVENTION NEGOTIATIONS.

6:00 PM - 10:30 PM
FRIDAY, 6 FEBRUARY

FREE OPEN BAR TILL 8:00 PM

AUDACE RESTAURANT
365 PARK AVE SOUTH

TAX BODY

NO SEPARATE ACCREDITATION PROCESS. EVERYONE WHO SHOWS A UN BADGE WELCOME.

GLOBAL ALLIANCE FOR TAX JUSTICE

UN TAX CONVENTION

CIVIL SOCIETY FINANCING FOR DEVELOPMENT Mechanism