UN Framework Convention on International Tax Cooperation:

WHAT COULD BE THE ROLE OF PHILANTHROPY?

MAY 2025

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This brief is one product for the Fund Fiscal project that seeks to mobilize donor interest in strengthening Global South countries' ability to mobilize resources for development in an equitable manner. Learn more at the Fiscal Space site at **www.fiscalspace.org**

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Introduction

United Nations (UN) member states have begun negotiating a new UN Framework Convention on International Tax Cooperation (UN Tax Convention for short). This Convention could help align the global tax system with goals for sustainable development, human rights, gender equality, and climate justice. The Convention will allow all countries to join negotiations on issues such as the taxation of large multinational companies and governments exchanging information to enable tax collection, including on wealthy taxpayers. Civil society hopes that the convention will address human rights and taxation of the wealthy and fossil fuels.

A lot is at stake – cross-border tax abuse by multinational companies and wealthy individuals is estimated to cost governments nearly half a trillion dollars per year. This does not even include the cost of excessive tax exemptions offered to companies and the super rich as countries seek to be "tax competitive." These giveaways leave fewer funds to spend on the environment, health, education, and other development priorities.

Negotiations are ongoing on the Convention itself and two protocols, and the plan is to conclude these in 2027. If negotiations are successful and a final Convention is ratified, a fiscal revolution will take place, unlocking more resources for development and helping reverse illicit financial flows that have been crippling Global South economies. Success will also provide further proof of the importance of transparent negotiations in a multilateral framework. However, a good outcome is dependent on adequate resourcing to run the process and support stakeholder participation.

This briefing is designed to help funders better understand what the UN Tax Convention process is, why it matters for international development, and how funders might support constructive outcomes. It argues that philanthropies should provide support to civil society organizations and Global South governments now so that they can participate effectively and drive ambitious outcomes.

Key Recommendations for Funders

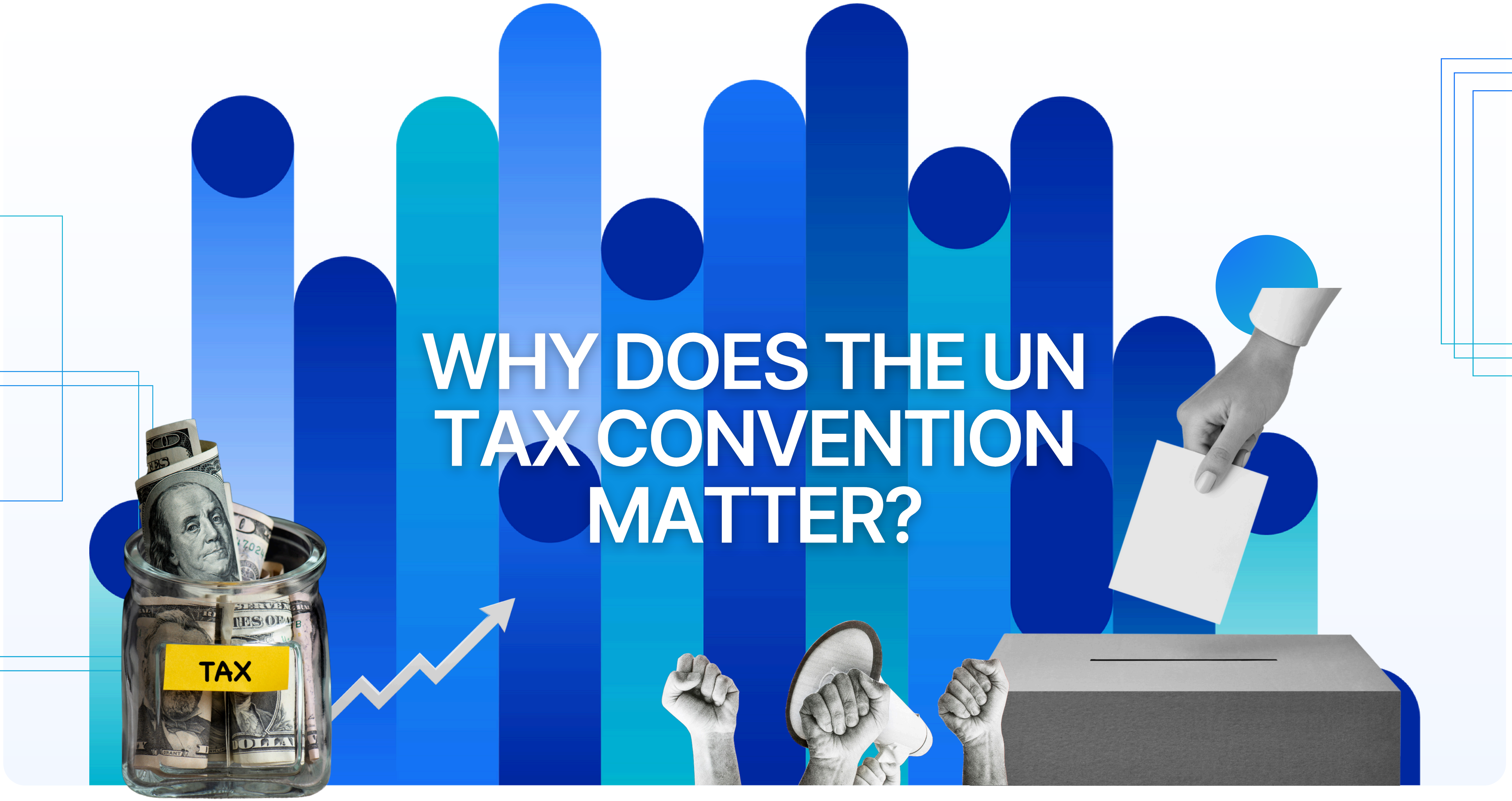
In the **short-term, it is crucial that funders support active participation** in the Convention negotiations. This includes support to civil society, Global South government revenue authority representatives, and researchers. The UN also needs support to facilitate the process as effectively as possible.

Global South civil society organizations (CSOs), universities, and think tanks in particular need support so they can advance their priorities around advocacy, evidence generation, and capacity building. They are more likely to have direct connections to their governments and knowledge of their needs and interests.

To complement that immediate need, **funders should provide long-term, unrestricted funding** so that CSOs and other stakeholders can advocate during negotiations and the follow-up implementation phase.

Funders should use their voice and convening power to raise awareness of why the UN Tax Convention process matters with fellow donors and policymakers.

Coordination at global and regional levels will continue to play a key role. Global coalitions can provide unified voices, and global organizations can fill data and evidence gaps that are not easy to bridge from a single regional perspective. They can exchange ideas and tactics to advance common agendas. Funders can invest in this coordination infrastructure.



WHY DOES THE UN TAX CONVENTION MATTER?

With recent and ongoing cuts to foreign aid, countries will be more reliant than ever on domestic resource mobilization. Effective and equitable taxation will be critical to achieving development goals.

Creation of the UN Tax Convention offers a critical opportunity to reset international tax rules to better enable development. In the UN setting, every country has an equal voice (and vote), which changes the dynamics compared to the Organization for Economic Co-operation and Development (OECD).

While tax is mostly a domestic issue, many areas of tax policy have a cross-border element. The Convention should offer ways to more fairly tax large multinational companies, including digital businesses, and the super-rich. This can mean significant revenue gains for poorer countries and reductions in wealth inequalities.

Globally, tax abuse by multinational companies and wealthy persons are estimated to cause a tax loss of up to US $492 billion every year according to the Tax Justice Network (TJN).[1] Global South countries draw on corporate income taxes for their revenues. For example, corporate income taxes were 21.2% of total tax revenues in Africa in 2022, much higher than OECD countries at 12%.[2] If we do not secure more effective international tax cooperation, countries will be forced to adopt regressive tax measures to collect revenue, including value-added taxes (VAT).

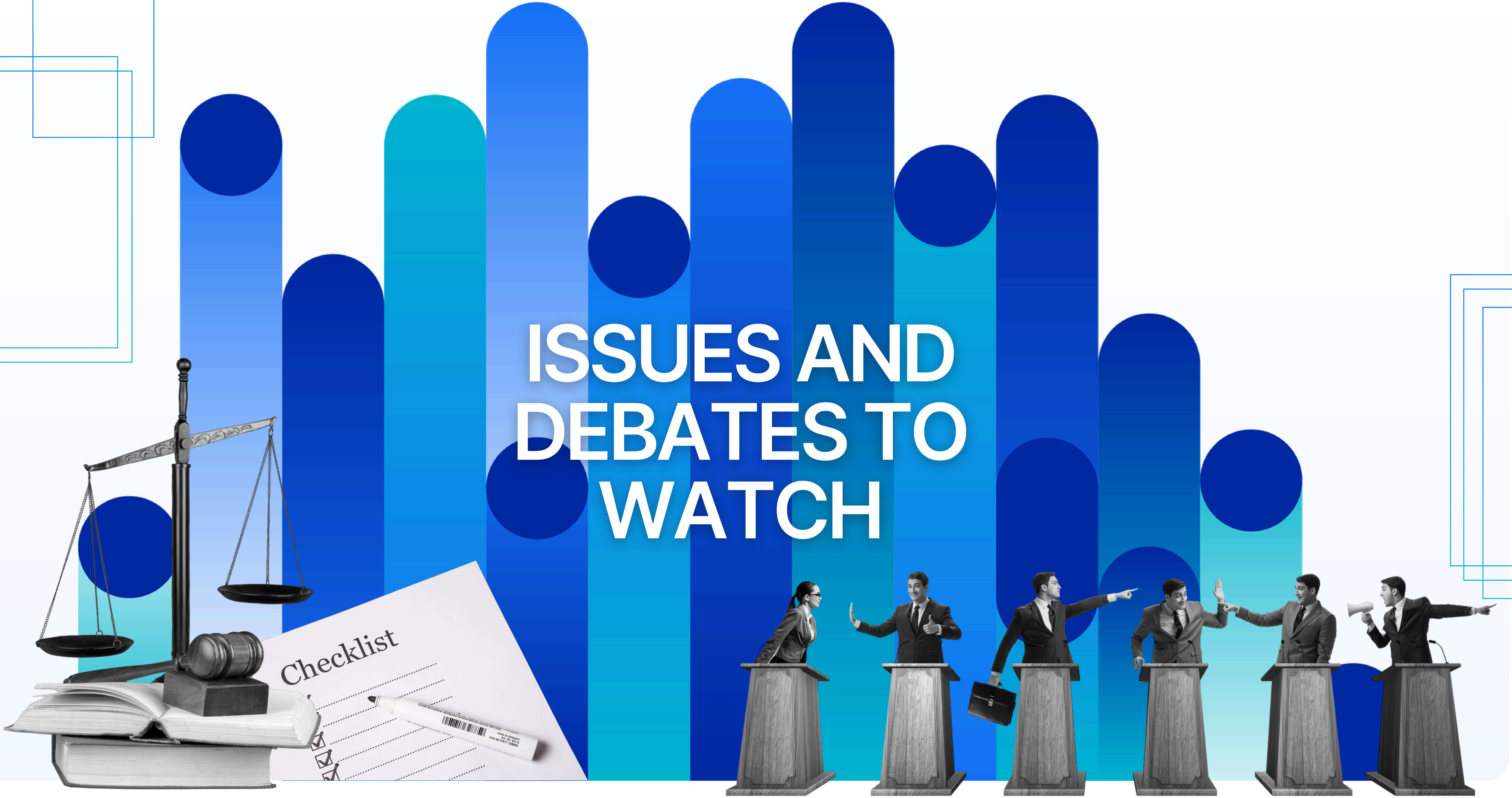
The UN Tax Convention offers potential to cover a broader scope of issues compared to the OECD. The Convention could enable better alignment of tax systems with human rights and achievement of the Sustainable Development Goals. Over time additional protocols could be added to the Convention, such as on illicit financial flows (a priority for many African nations), wealth taxation (a priority for many Latin American and Caribbean countries), and environmental taxation.

[1] Tax Justice Network, "State of Tax Justice 2024," 2024.
[2] OECD, African Union Commission, and African Tax Administration Forum, Revenue Statistics in Africa 2024: Facilitation and Trust as Drivers of Voluntary Tax Compliance in Selected African Tax Administrations, OECD Publishing, 2024, page 33.

However, none of this will happen automatically. There is a risk that Global North countries will weaken language, forestall agreement, or walk out, as the United States has already done. It will require dedicated effort and proactive engagement by a range of governments, backed by civil society and media advocacy and expertise, to ensure that the Convention meets its potential.

The coalition approach has already seen success in securing language in the Convention's Terms of Reference that affirms alignment with human rights norms in the negotiation process. A clear civil society voice, supported by progressive think tanks and Global South states, was essential to that win. Such external pressure combined with savvy negotiating will be necessary to retain ambition throughout the next year and a half of negotiations.

ISSUES AND DEBATES TO WATCH



Many feared that moving international tax cooperation related discussions to the UN would not change the substance of the discussions and that similar power dynamics would continue to dominate. So far, this has not been the case: completely new debates have started to emerge, to which states are responding. Here is a sampling of some of these debates.

Tax and Human Rights

A discourse has recently emerged linking the mobilization of fiscal resources to the realization of economic, social, and cultural rights through public service provision. New actors have become engaged, such as those promoting the Principles for Human Rights in Fiscal Policy, UN Special Rights Rapporteurs, and Independent Experts on foreign debt, other international financial obligations, and human rights. This shift reflects the work of advocates for a human rights economy and a rights-based economy.[3]

We have already seen how disagreements in alignment with human rights principles may play out. Latin American states supported the vision of mobilizing financing for the realization of economic, social, and cultural rights, while European states tried to insert the issue of "taxpayer rights," which is not defined in human rights law. The UN Tax Convention negotiations will continue to be a place where these contrasting visions are debated.

[3] See Nada Al-Nashif (United Nations Deputy High Commissioner for Human Rights), "The Human Rights Economy – from concept to practical application," statement made on June 28, 2024 in Geneva; Marianna Leite and Matti Kohonen (eds.), **Righting the Economy: Towards a People's Recovery from Economic and Environmental Crisis**, Agenda Publishing, 2024.

Tax and Gender

There are diverse views on the intersections of tax and gender. At one level there is the principle that tax administrations should not disadvantage one gender over another. On the policy side though, there is growing attention to assure that taxation promotes gender equality, for example by recognizing the care economy. In this context, many feminist macroeconomists support policies, such as taxing wealth, that can correct intergenerational gender gaps in wealth and income and finance the care economy and public services.

While early drafts of the Terms of Reference mentioned aligning taxation with gender equality, this was dropped from the final version. There is potential for it to be brought back in, especially in connection with a human rights framing of tax and fiscal policies and removal of gender discriminatory tax policies.

Tax, Climate, and the Environment

The The European Union's Carbon Border Adjustment Mechanism and similar mechanisms planned by other Global North countries has created a significant amount of distrust among other countries. The UN Tax Convention may become a space to address such concerns. A protocol on environmental taxation was proposed earlier. Such a protocol has the potential to be more progressive than the current approach, which focuses mainly on domestic and cross-border carbon taxation.

Options for progressive tax measures to reduce carbon emissions include taxing corporations directly for their per ton emissions of carbon or implementing a higher global minimum tax for highly emitting companies.

Financial and Tax Transparency

Transparency and exchange of information are necessary to fully end tax evasion.

Currently, in many jurisdictions, even governments may not know who really benefits from companies or trusts. This knowledge is important for tax collection and other efforts, such as ending money laundering.

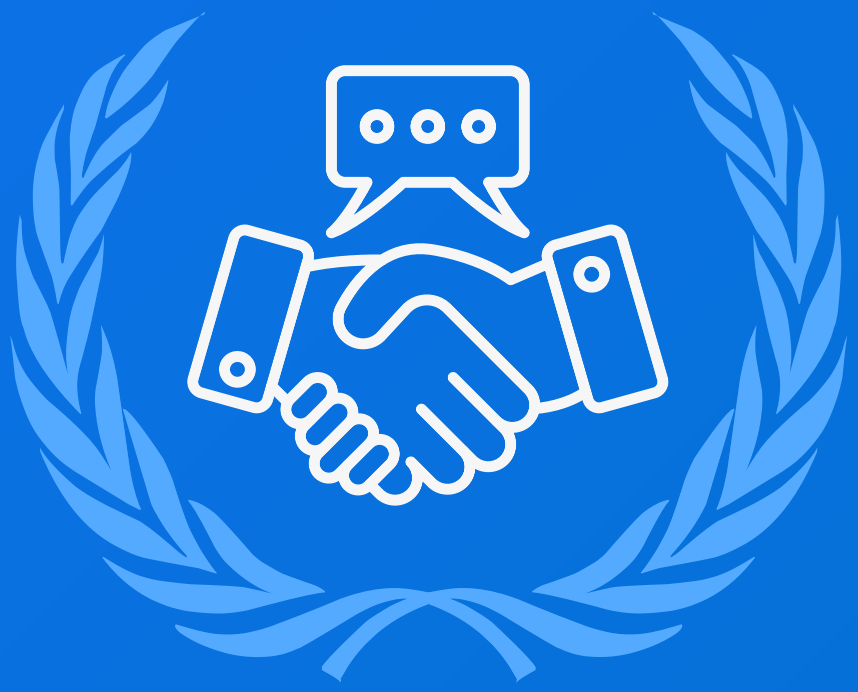
The final Terms of Reference for the Convention highlighted the importance of transparency of real or beneficial owners of corporate vehicles. It is hoped that the Convention could be a vehicle to strengthen automatic information exchange. This entails direct access to information by foreign tax authorities without unnecessary burdens. This allows tax administrations to have the full picture of their taxpayers, and guard against profit shifting and other moves to avoid paying taxes.[4]

[4] Tax Justice Network, "**What are the ABCs of tax justice?**," n.d.

WHO ARE THE KEY PLAYERS IN THE PROCESS?

The G77 Group and Other Global South Country Groupings

Negotiations are conducted at the UN and are based on member states and their respective groupings. Thematic groups may also form.



The G77 is a coalition of 134 developing countries designed to promote its members' collective economic interests and create an enhanced joint negotiating capacity in the UN. It also seeks to promote South-South policy and diplomatic linkages.

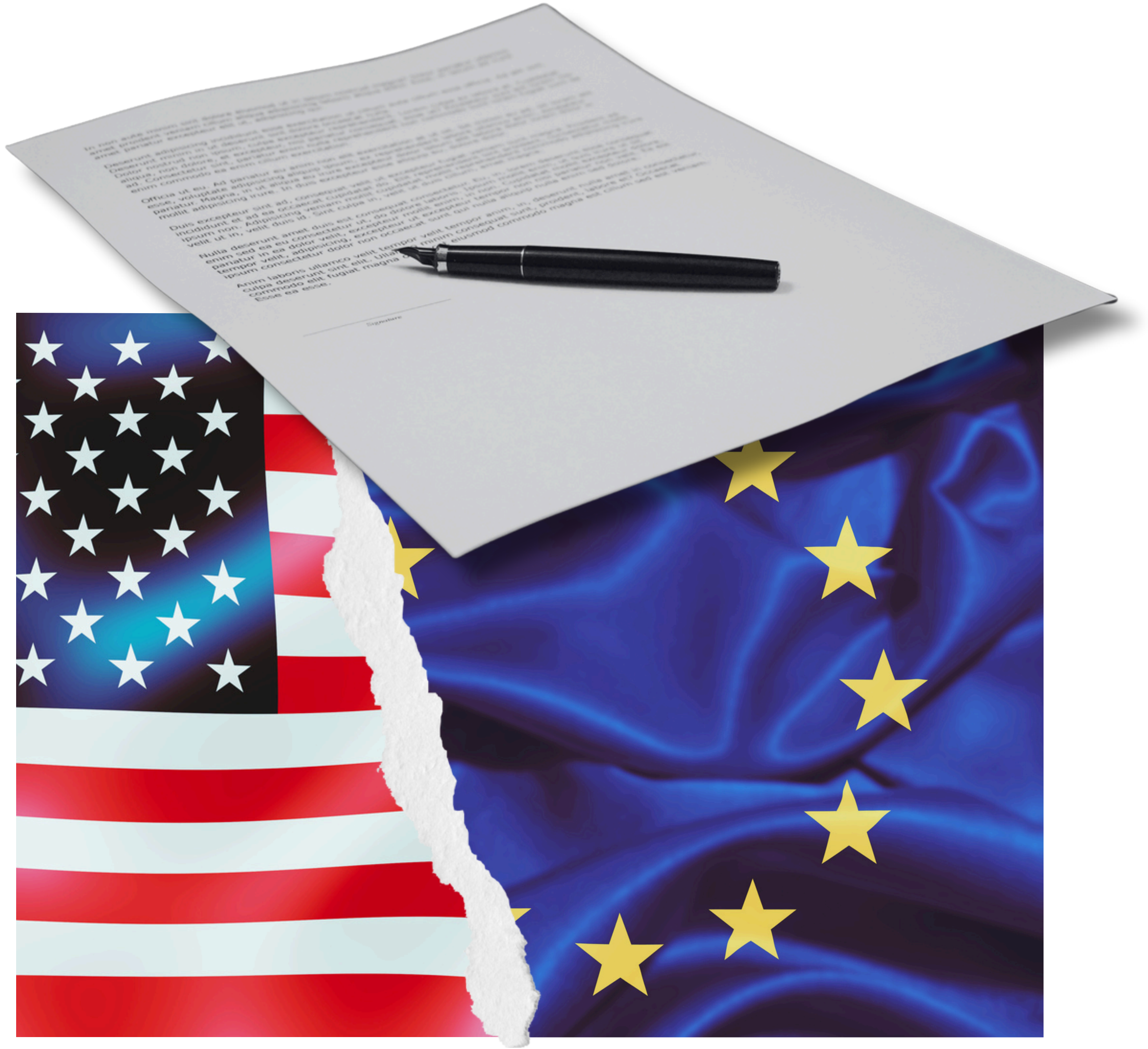
The G24 is a group of developing countries that specifically works on international monetary and financial reform. It is often active around meetings of the International Monetary Fund, but it has commented on international tax negotiations at the OECD as a group.

The Africa Group led the original resolution effort to make international tax discussions fairer. In Latin America, countries came together in 2022 to create the Regional Platform for Tax Cooperation in Latin America and the Caribbean (PTLAC) that, for the first time, collectively represents their voice in international tax reform processes. In South Asia, a group has not been formed, but as individual countries, India and Pakistan have been very supportive of the proposed UN Tax Convention.

The European Union and the United States

In 2024, some Global North countries voted against the adoption of the Convention's Terms of Reference, while the European Union and some OECD member states within the European region abstained. The European Union explained its position: they would have preferred the UN to adopt a consensus-based decision-making process and language about taxpayer rights. However, the European Union also welcomed some aspects, including the inclusion of human rights as guiding principles.[5]

The United States walked out of negotiations February 2025, so the European Union will not be able to ally with it.[6] At the same time, the United States has also decried the OECD processes.



[5] European Union, "**EU Explanation of Vote: Closing of the second substantive session of the Ad-hoc Committee negotiating draft Terms of Reference on a UN Framework Convention on International Tax Cooperation**," statement made in explanation of vote by the European Union and its Member States at the closing of the second substantive session of the Ad-hoc Committee negotiating draft Terms of Reference on a UN Framework Convention on International Tax Cooperation, August 16, 2024.
[6] Tove Ryding, "**United States walks out of UN Tax Convention process**," Eurodad, February 2025.

Intergovernmental Actors

The UN Department of Economic and Social Affairs (UN DESA) plays a key role and would likely house the secretariat for the Convention. However, they are far from the only part of the UN system to have a stake in the outcomes of the Convention negotiations. As custodians of the illicit financial flows indicator in the UN Sustainable Development Goals process, both the UN Commission on Trade and Development (UNCTAD) and the UN Office on Drugs and Crime (UNODC) have a stake.

The UN regional economic agencies are also shepherding regional inputs on tax governance, which feed into the global negotiations. Although not part of the UN, regional tax bodies, such as the African Tax Administration Forum (ATAF), are also coordinating regional needs and perspectives, building on their capacity building roles with member states and their experience providing input into OECD-led processes.

The South Centre, an intergovernmental organization, has played a prominent role in advising Global South countries in negotiations, and it promotes the Convention as a key advancement. It also supports with work of the UN's Committee of Experts on International Tax Cooperation (called the UN Tax Committee).

Civil Society

Tax justice groups have long fought for the UN to be the forum for tax discussions, and the Convention is the realization of their advocacy. Civil society remains a key player in this process.

The Global Alliance for Tax Justice (GATJ) is the main umbrella body for organizations that represent both mass mobilization and policy work on tax justice. GATJ consists of regional alliances of national members. The regional alliances are Tax Justice Network Africa, Tax and Fiscal Justice Asia, Latin American and Caribbean Fiscal Justice Network, Tax Justice - Europe, Canadians for Tax Fairness, and the Financial Accountability and Corporate Transparency (FACT) Coalition in the USA.

GATJ and others campaigned at the Third International Conference on Financing for Development (FfD) in 2015 and called for an intergovernmental tax body. Although this call did not make it into the final Addis Ababa Action Agena, that push was galvanizing.

GATJ and the Tax Justice Network (among others) agreed to prioritize the UN role. In 2020, the two organizations joined with Public Services International, one of the global union federations, to include a UN tax convention as a key priority in the first annual State of Tax Justice report.[7] Alongside GATJ, Eurodad published a proposal for a UN tax convention in 2022.[8] By spelling out the terms of a possible convention, civil society showed what was possible.

Now that negotiations for the Convention have been formalized, the number of CSOs engaging has grown. Those inputting into debates over the Terms of Reference grew from fewer than 20 to almost 100. Many engage based on specific themes and areas of expertise, such as gender, human rights, environment, and climate.

[7] GATJ, Public Services International, and Tax Justice Network, **The State of Tax Justice 2020: Tax Justice in the time of COVID-19**, November 2020.
[8] Tove Maria Ryding, "**Proposal for a United Nations Convention on Tax**," Eurodad, 2022.

Gender responsive taxation

work is being led by the GATJ's Tax and Gender Working Group, which has addressed the intersection in a series of "Framing Feminist Taxation" publications,[9] together with Nawi – Afrifem Macroeconomics Collective (Nawi Collective), Development Alternatives for Women in a New Era, Akina Mama Wa Afrika, Womankind Worldwide, and other feminist groups.

Human rights issues

are being led by actors such as the Initiative for Human Rights Principles in Fiscal Policy, the Centre for Economic and Social Rights, Global Initiative on Economic, Social and Cultural Rights, Human Rights Watch, Human Rights Development Institute, Tax Justice Network, and others. They are working together to ensure alignment of tax issues with fundamental human rights principles.

Financial transparency issues

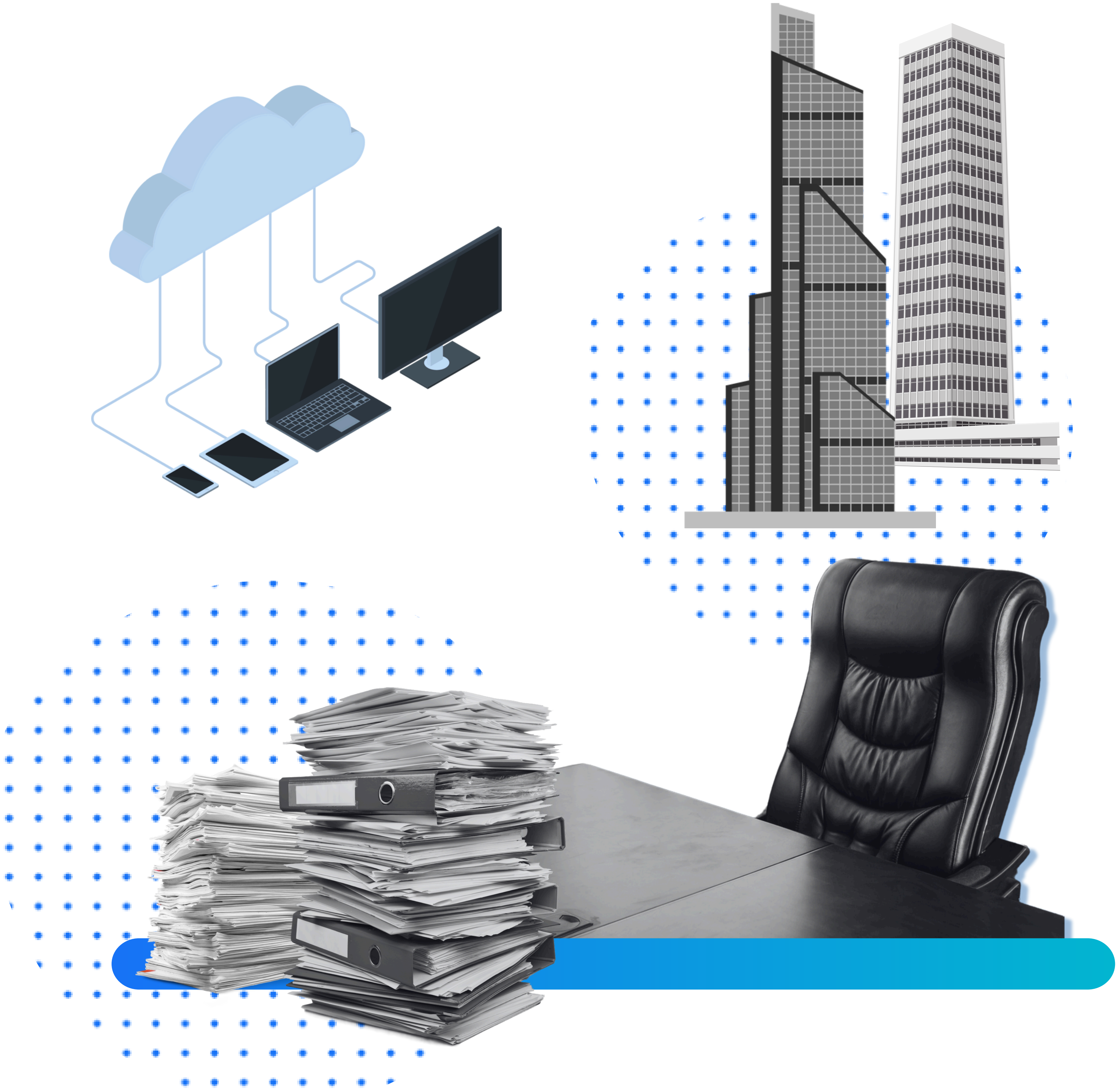
in the negotiations are being highlighted by the Financial Transparency Coalition, Open Ownership, International Budget Partnership, Transparency International, Global Financial Integrity, among others.

[9] GATJ, Womankind Worldwide, and Akina Mama wa Afrika, "Framing Feminist Taxation: With examples from Uganda," 2021; Caroline Othim and Prabha Khosla, "Framing Feminist Taxation vol. 2," GATJ and partners, 2022.

Private Sector

Global tax and accountancy firms like PricewaterhouseCoopers and others are weighing in on the discussions, and they largely support points made by OECD countries. Even if the African, Latin American, and Asian partners of these firms have nuanced views, the heads of tax advisory tend to be based in the US or Europe and to prefer the status quo.

Large multinational companies are rarely involved directly in the negotiations. Rather, the International Chamber of Commerce (ICC) Global Taxation Commission serves as the main business representative thus far. Currently, the Group Tax Director for Vodafone is the chairperson, and members include those from IBM, Amazon, Microsoft, and others.[10]



[10] International Chamber of Commerce, **"Policy commissions"**, accessed April 2025.

Academia

Academic actors have become increasingly active in tax reform issues. Two notable actors include the Committee on Fiscal Studies (CFS) at the University of Nairobi and the African Tax Institute at the University of Pretoria. CFS works across tax issues and has developed estimates on the potential of wealth taxation in Kenya and other countries. It also hosts the most accurate tax data in the region. The African Tax Institute estimates illicit financial flows affecting African states and their tax capacity, working closes with the African Tax Administration Forum.

In Europe, the International Centre for Tax and Development (ICTD) at the University of Sussex in the United Kingdom often advises European governments and European donors on tax and development related issues, as does the Chr. Michelson Institute (CMI) in Norway. The Copenhagen Business School has many academic actors estimating tax abuses and tax havens. The EU Tax Observatory (based at the Paris School of Economics) produces analysis and data on taxation of multinational corporations, the super rich, cryptocurrencies, and more.

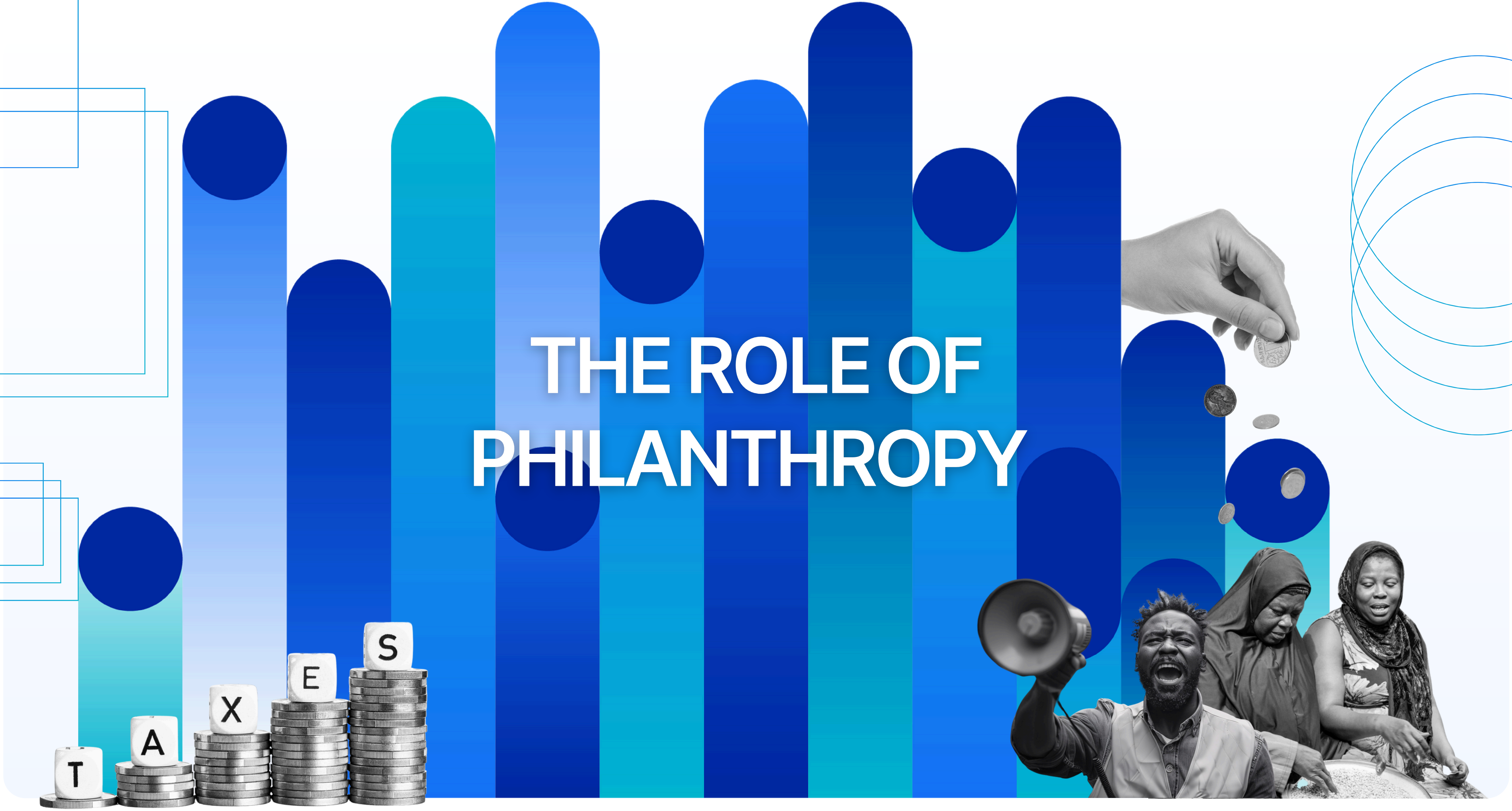
Relevant research is also underway in Latin America. For example, the State University of Campinas (Unicamp) has worked closely on human rights and gender aligned tax policies and has created a research basis for a wider rights-based economy.

In North America, the OECD-led process has been the attention of scholarly work. More broadly, Boston University's Steven Dean and the Global Development Center have a focus on tax and development issues, and scholars at New York University have looked at the intersection of tax and human rights.

Globally, the UN University World Institute for Development Economics Research has a domestic resource mobilization program working with the UN Development Program and other UN based actors.

Also, the Independent Commission for the Reform of International Corporate Taxation (ICRICT) monitors OECD and UN processes, contributes independent analysis, and amplifies famous voices for advocacy. ICRICT's members include Jayati Ghosh, Thomas Piketty, Joseph Stiglitz, and Gabriel Zucman, among others.

THE ROLE OF PHILANTHROPY



Philanthropies have rarely engaged directly in international tax policy processes.

Given how the UN Tax Convention could help deliver on the goals that many philanthropies support, there is a case to provide support directly to those seeking to secure an ambitious outcome. Organizations that work on progressive taxation can help move the needle to support improved public finances, which affect almost every sector of interest to philanthropic funders, including health, education, and poverty alleviation. In addition, the negotiations may affect some of these sectors directly, such as through incentives for climate mitigation or conservation.

Importantly, philanthropies can take actions that other large development funders, such as bilateral funders and the World Bank, cannot or will not. Bilateral funders may not have a mandate in this area or face conflicts of interest as their governments are actively participating in the Convention negotiations. Multilateral funders may want to remain neutral or push agendas that do not align with progressive taxation.

The good news is that even relatively small injections of philanthropic support can make a big difference. There is relatively little funding in this area: see TAI's report on funding of international tax justice.[11] A little has been made to go a long way already, but now is the moment to scale up resources.

Investment in a strong UN Tax Convention will reinforce other philanthropic priorities in the economic realm such as in accountable public finance, effective climate finance, new economic thinking, global financial architecture reform, and debt sustainability.

There is no shortage of worthwhile investment needs. Global South governments need support to fully participate in the UN Tax Convention negotiations, which tend to be in New York, an expensive destination. Organizations like the South Centre provide trainings on negotiations, and the UN hosts trusts funds to support the negotiations.

Global South based civil society actors need resources too. Civil society can play a wide variety of roles, including analysis, awareness raising, advocacy, coalition building, and capacity building. Global South researchers can also develop and share evidence to inform negotiations, including through estimations of impact.

There is also a cross-cutting need to support coordination between national, regional, and global levels of engagement.

[11] Jenny Lah, "Funding Trends in International Tax Justice," TAI, 2023.

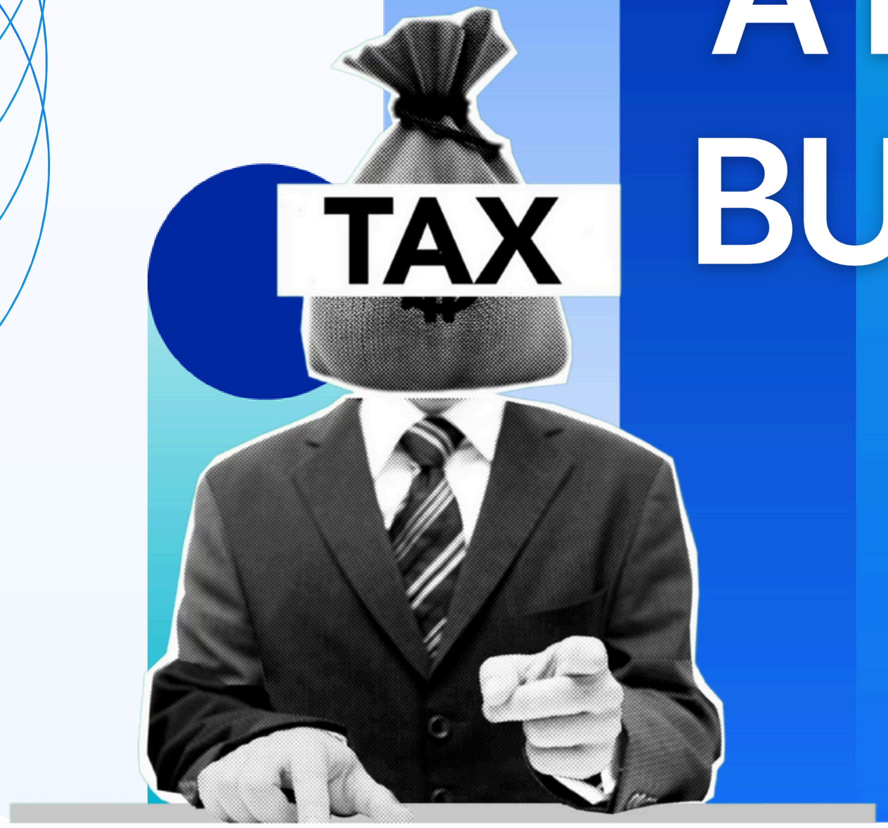
For philanthropies who can consider doing more, there is no shortage of options:

- Support media and investigative work around progressive taxation and its connections to an array of issues such as beneficial ownership transparency
- Support sectoral partners (like those working on climate) to raise their voices and keep visibility on the Convention
- Fund further evidence on international tax cooperation and specific sectors, such as how improved taxation of multinational corporations relates to health services
- Advocate for increased development cooperation from bilateral government donors and multilateral organizations (like the World Bank) in their areas of comparative advantage, such as peer-to-peer exchanges among tax administrators

Finally, many philanthropies can use their voices and advocate for progressive taxation and for principles such as “polluter pays.” They can speak to other philanthropies about engaging in tax work. For those newer to tax, they can leverage platforms like Patriotic Millionaires, TAI, and the Better Taxes for a Better America group in the United States. They can also review their investments for corporations that engage in egregious tax avoidance. Two good resources for this include the Fair Tax Mark and research by Centre for International Corporate Tax Accountability and Research (CICTAR).[12]

As philanthropies in many countries benefit from tax exemptions or credits, this is not only a strategic choice to contribute to a fairer global economic system and more resources to the Global South, but also a way to truly give back.

[12] Fair Tax Foundation, “**Who’s Accredited**,” accessed April 2025; CICTAR, “**Research**,” accessed April 2025.



ANNEX

HOW DID WE GET HERE?

A BRIEF HISTORY OF THE BUILD UP TO THE UN TAX CONVENTION

The decision to create a UN Tax Convention represents a major shift in global financial architecture, one that should give a greater say to countries in the Global South and allow them to mobilize more revenues. It could modify current international tax rules that largely favor the needs of Global North countries.

Negotiations for the UN Tax Convention mark the latest stage of attempts to develop international tax rules, norms, and guidance. There has been contestation between the UN and the Organization for Economic Co-operation and Development (OECD) over who sets the rules for cross-border taxation. The first international tax agreements were negotiated in the 1920s under the League of Nations, the precursor to the UN. However, since the 1950s, Global North countries pushed for the OECD (then the Organisation for European Economic Co-operation (OEEC)) to take on a greater role in the negotiation and implementation of taxation rules.

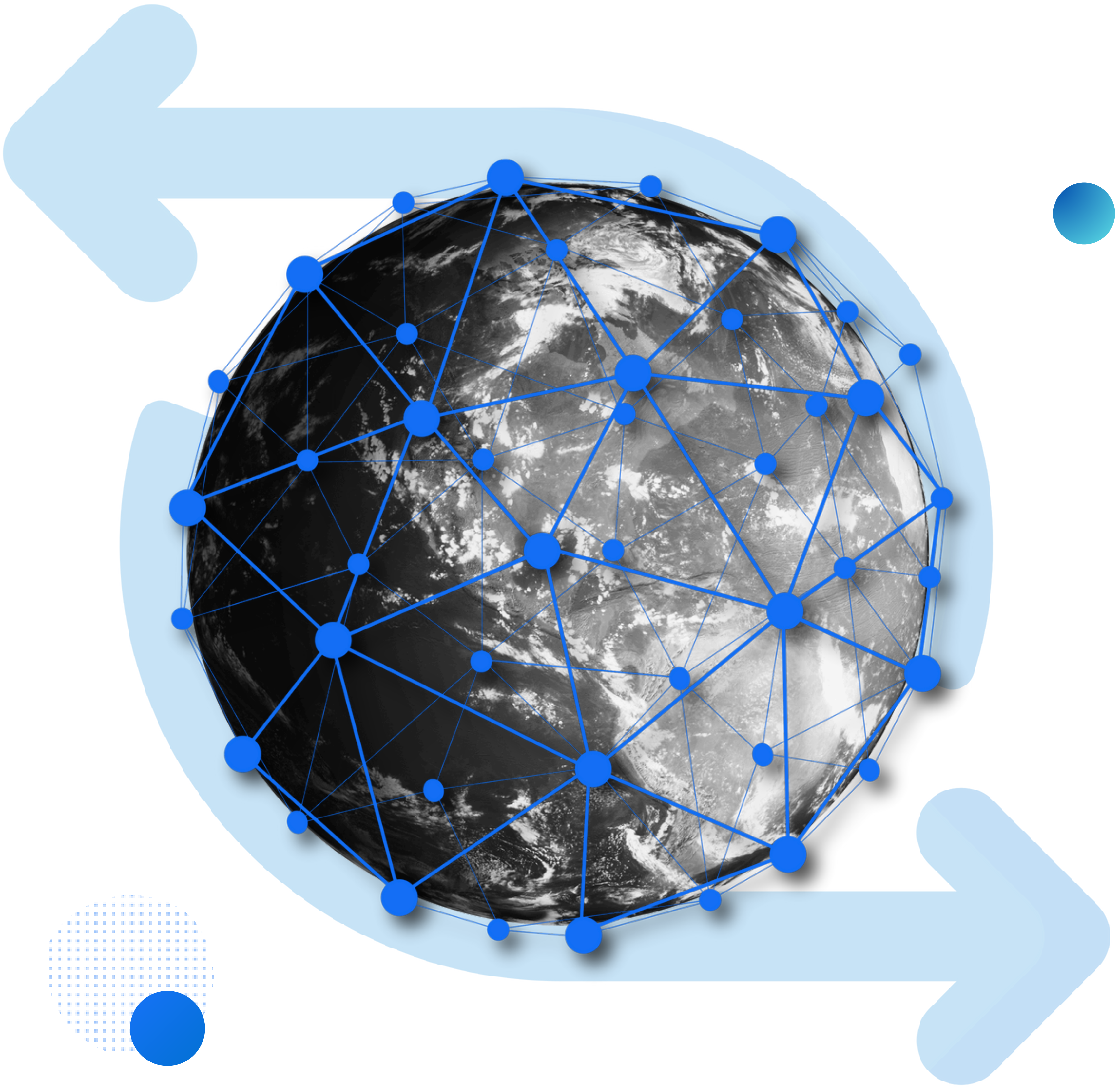
The resulting agreements on cross-border corporate taxation negotiated under the OEEC favored "residence" countries. This benefits the Global North as it refers to the location of headquarters. "Source" countries, including in the Global South, received fewer rights to tax revenues in their countries depending on factors such as the company having a local "permanent establishment." The system also allowed multinational companies to treat their subsidiaries as separate entities that traded with each other at "arm's length." These principles have enabled massive tax avoidance and abuses by companies shifting income to low-tax jurisdictions.[13]

For decades, Global South countries have called for international negotiations on taxation to move to the UN. For example, Global South countries demanded a reappraisal of the UN's role in international tax governance at the First International Conference on Financing for Development (FfD) back in 2002 but faced steady resistance from Global North countries.

[13] For a wider discussion of the history of tax cooperation, see: Sol Picciotto, "**Is the International Tax System Fit for Purpose, Especially for Developing Countries?**," International Centre for Tax & Development (ICTD), Working Paper 13, 2013; Attiya Waris, "Tax and Development: Solving Kenya's Fiscal Crisis through Human Rights," LawAfrica Publishing Ltd, 2013; Reuven S. Avi-Yonah, "**Globalization, Tax Competition, and the Fiscal Crisis of the Welfare State**," Harvard Law Review, Vol. 113, No. 7 (May 2000), 1573-1676.

The 21st century has led to increased attention to rebalancing the global tax system, especially with digital economy giants avoiding taxation in many countries. The Global Financial Crisis of 2008-2009 and taxpayer funded bailouts and recovery packages began to further change the political equation, and tax abuses by the wealthy and multinational companies became a subject of political interest around the world. Furthermore, Global South countries became increasingly frustrated at their limitations to collect their share of revenues from the operations of multinational companies, and estimates of illicit financial flows highlighted more capital leaving Africa than came in through official aid.

In response, the G20 mandated the OECD to create the Global Forum on Information Exchange for Tax Purposes (known as the OECD Global Forum) to address offshore secrecy. This was followed with the launch of the OECD Base Erosion and Profit Shifting (BEPS) project in 2012 to address tax abuses by multinational companies, and later, the Inclusive Framework, again housed at the OECD, to foster a global minimum level of taxation for large multinational companies.



However, these measures did not satisfy Global South countries. Not all countries joined the mechanisms: countries had to pay fees to join and sign up to previous agreements that were negotiated within the OECD, not to mention have representation at Inclusive Forum negotiations.

In the 2010s, the drumbeat about the injustice of the international system grew louder. The High-Level Panel on Illicit Financial Flows from Africa was established by the Economic Commission for Africa in 2012. Chaired by former South African President Thabo Mbeki, its report drew attention to the extent of illicit financial flows from Africa, including those due to tax evasion and avoidance.[14] Its recommendations became the official position of the African Union. Civil society added further momentum through an effective Stop the Bleeding Campaign.

[14] High Level Panel on Illicit Financial Flows from Africa, "**Track it! Stop it! Get it! Illicit Financial Flows**," AU/ECA Conference of Ministers of Finance, Planning and Economic Development, 2015.

In 2016, the G20 tasked the OECD and its Inclusive Framework to negotiate a new international framework to address taxation of multinational companies, including digital companies. An agreement was reached in 2021 among most of the Inclusive Framework members. This "Two-Pillar Solution" includes a Pillar One to reallocate taxing rights for the largest companies, and a Pillar Two to establish a global minimum corporate tax rate of 15% (with various exceptions).

However, the agreements are contentious – many argue that Global South countries will lose out under the deal. In addition, implementation is proving difficult, with the OECD issuing detailed and difficult-to-follow guidance. More importantly, the United States withdrew from the agreement after the inauguration of Donald Trump as president. Republicans in the US Congress have also threatened retaliation against countries that implement the agreement.

Also in 2021, the UN Financial Accountability, Transparency, and Integrity (FACTI) panel recommended the establishment of a UN tax body.[15] This reinforced demands from African countries and (increasingly) from Latin America for a more equitable forum to govern the international system. The UN's Committee of Experts on International Tax Cooperation (called the UN Tax Committee) became more active, creating guidelines for Global South states on key international tax topics and developing a UN Model Tax Treaty that was more favorable toward Global South countries.[16]

In 2022, the UN General Assembly passed a resolution led by the Africa Group on possible new forms of international tax cooperation, and it called for a report by the UN Secretary-General. His report on options towards international tax co-operation was completed in 2023, and it included options, such as a framework convention.[17] The framework convention option was then passed by a vote in the General Assembly.

[15] FACTI Panel, "**Financial Integrity for Sustainable Development**," 2021.
[16] UN Tax Committee, "**UN Model Double Taxation Convention between Developed and Developing Countries**," 2021.
[17] UN Secretary-General, "**Promotion of inclusive and effective international tax cooperation at the United Nations**," A/78/235, 2023.

What is the Current State of Play?

Discussions on how to structure UN Tax Convention negotiations began in 2024. Terms of Reference were finally adopted in August 2024 with 125 countries voting in favor, nine against, and 46 abstaining.[18] The split, as before, continued to be largely between the Global South and Global North.

With the Terms of Reference agreed, the next stage of negotiations began in February 2025. Global North countries pushed for consensus-based decision making in all aspects. The decision was taken to push for consensus as much as possible, but for decisions on the Convention, the rules of the General Assembly will apply, meaning majority vote rules. However, for the protocols, two-thirds majority will be needed to decide on "matters of substance," while procedural matters will be subject to majority vote.[19] This prevents any single country or small group of countries blocking negotiations.[20] The importance of this was signified when the United States walked out of negotiations, asking others to follow. No others walked out.

Decisions on the first two protocols have already been taken. The protocols are separate legally binding instruments that allow parties to the overall Convention to address additional tax issues. The first protocol will focus on taxation of cross-border services in the global digital economy and the second on the prevention and resolution of tax disputes.[21]

More negotiations are planned in August and November 2025. There will then be at least three sessions in both 2026 and 2027. The up-to-date schedule and process map is here: **https://financing.desa.un.org/inc**.

[18] Ad Hoc Committee to Draft Terms of Reference for a United National Framework Convention on International Tax Cooperation, "**Chair's Proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation**," 2024, A/AC.295/2024/L.4.
[19] Kudzai Mataba and Elisângela Rit, "**UN Convention on Tax: What happened at recent negotiations, and what's next?**," International Institute for Sustainable Development (IISD), 2025 ntergovernmental Negotiating Committee on the United Nations Framework Convention on International Tax Cooperation, "**Draft decision submitted by the Chair: Decision-making on matters of substance**," A/AC.298/CRP.9, 2025.
[20] Eurodad, "**An important step forward for UN Tax Convention negotiations**," 2025.
[21] Frederik Heitmüller, "**A decision on decision-making and no disputes on dispute resolution: the Organizational Session for UN Tax negotiations**," ICTD, 2025.

To learn more and discuss ways to engage please contact the TAI team

CONTACT US