What's the UNFCITC ?

> The United Nations Framework Convention on International Tax Cooperation is a proposed international legal instrument that aims to achieve fully inclusive and more effective international tax cooperation.

History

In 2021, the OECD introduced the Global Tax Agreement, commonly referred to as the Two-Pillar Solution, in an effort to address Base Erosion and Profit Shifting (BEPS 2.0). However, the initiative has been criticized by both developing countries and experts for not adequately addressing the needs of countries in the Global South, with concerns that it prioritizes the interests of wealthier nations.

Against this backdrop, the African Group sought to create an alternative, binding international framework that would promote cooperation on tax issues. This effort resulted in the adoption of the Framework Convention on Tax Cooperation by the United Nations General Assembly on December 22,2023.

Process

Progress So Far

- **December 2023**: Adoption of the UN resolution 230/78 on the Promotion of inclusive and effective international tax cooperation.
- **December 2024**: Adoption of the ToR for UN tax convention and the theme of the first early protocol "Taxing Cross-Border Services in a Digitalized Economy".
- **February 2025**: The organizational session of the INC. Selection of the second early protocol "dispute prevention and resolution".
- **4-8 and 11-15 August 2025**: First and Second substantive negotiating sessions in New York.

Next steps in the negotiations process

- **10 - 19 Nov 2025**: Third negotiation session in Nairobi.
- **2 - 3 and 13 - 6 Feb 2026**: Fourth negotiation session in New York.
- **3 - 14 Aug 2026**: Fifth negotiation session in New York.
- **30 Nov - 11 Dec 2026**: Sixth negotiation session in Nairobi.
- **2027 [Dates TBC]**: Three more substantive negotiation sessions planned as well as the Submission of the final text of the framework convention and of the two early protocols.
- **Sep 2027**: Consideration of the framework convention and of the two early protocols by the UN General Assembly

Structural element of framework convention

Objectifs

A UNFCITC should focus on creating inclusive and effective cooperation in both substance and process. It should establish a governance system capable of addressing current and future tax challenges, and promote a fair, transparent, and efficient global tax system that supports sustainable development. The aim is to enhance the legitimacy, fairness, and resilience of international tax rules while helping strengthen domestic resource mobilization.

Principles

- Universal approach to consider developing countries needs, priorities and capacities
- Sovereign right on tax policies and rules
- Pursuit international tax cooperation under human rights law
- Sustainable development through fair taxing right allocation
- Simple and easy rules
- Transparency and accountability for all taxpayers

Commitments

- Fair allocation of taxing rights
- Effective taxation of high-net-worth individuals (against tax evasion and avoidance)
- International tax cooperation to achieve Sustainable development in its 3 dimensions: economic, social and environmental
- Mutual administrative assistance (transparency & information exchange for tax purposes)
- Addressing IFF
- Effective prevention and resolution of tax disputes

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