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The African push for fairer tax dispute resolution under the UN Tax Convention and its 2nd Protocol

¹ Sarah Saadoun, Sylvain Aubry, "Progress on the Road to a UN Tax Treaty: Negotiations a Historic Opportunity to Advance Socio-Economic Rights", (Human Rights Watch, 2025), (accesses 27/08/2025)

² سحر فضيلة، «عبء الرجل الأبيض: دول الشمال تدفع نحو الصدم من فاعلية الإطار الأممي للتعاون الدولي بشأن المسألة الضريبية»، (المركز التونسي للاقتصاد، 2024)

³ سحر فضيلة، «من لوساكا إلى نيويورك: المساعي الإفريقية لإصلاح ضريبي عالمي عادل»، (المركز التونسي للاقتصاد، 2025)

⁴ Templeton, Jessica, Hillary Rosentreter, and Lynn Wagner, "Summary of the Organizational Meeting of the Intergovernmental Negotiating Committee on the United Nations Framework Convention on International Tax Cooperation" (Earth Negotiations Bulletin/IISD, Vol. 23 No. 15, 2025).

⁵ Intergovernmental Negotiating Committee on the UN Framework Convention on International Tax Cooperation, "Workstream III Co-Leads' Draft Outline of Issues Overview and Scope", (27 June 2025)

⁶ TJNA, "Updates from the First

Over the past month, United Nations member countries started substantive negotiations for the first-ever UN Framework Convention on International Tax Cooperation. The First and Second sessions of the Intergovernmental Negotiating Committee (INC), held in New York from 4–8 and 11–15 August 2025, focused on the Framework Convention and the 2 early protocols. These meetings addressed a range of issues, including the prevention and resolution of tax disputes. This historic process reflects major shifts in global economic governance and geopolitics. The treaty could replace the current global tax system that deprives developing countries of considerable revenues and undermines their capacity to support human rights¹.

The OECD's Global Tax Agreement with the two-pillar solution did not take into account the specificities and interests of the countries of the South. To break with this hegemony, the African Group worked to create an alternative and binding international framework that would enhance cooperation on tax matters. These efforts culminated in the adoption of negotiating New Global Tax

Rules at the UN by the UN General Assembly on December 22nd, 2023².

The United Nations General Assembly has established an Intergovernmental Negotiating Committee (INC) to draft a United Nations Framework Convention on International Tax Cooperation and two early protocols. This process runs from 2025 to 2027³. The Organizational Session in February 2025 marked the start of the three-year process. During this session, «Prevention and resolution of tax disputes» was chosen as the subject of Protocol II⁴. Tax dispute prevention and resolution refer to the ways in which countries and tax authorities prevent disputes over tax matters and resolve disputes when they happen.

Focus on cross-border tax dispute and protect national tax sovereignty

During the first and second sessions of the INC, discussions on the protocol gained considerable momentum, while notable divergences emerged around its essential provisions⁵. For the Global South countries, inclusivity of the convention and its protocols



[and Second Sessions of the historic Intergovernmental Negotiating Committee \(INC\) on the United Nations Framework Convention on International Tax Cooperation”, \(5 August 2025\)](#)

[7 Africa Group, “Written inputs from Africa Group on the Issues Notes on Workstream III: Prevention and Resolution of Tax Disputes”, \(2025\), Abstract paragraph 2](#)

[8 United Nations, «Handbook on the avoidance and resolution of tax disputes”, \(United Nation, May 2021\), Chap. V, p. 231-254](#)

[9 TJNA, “Updates from the First and Second Sessions of the historic Intergovernmental Negotiating Committee \(INC\) on the United Nations Framework Convention on International Tax Cooperation”, \(5 August 2025\).](#)

[10 The permanent mission of Ghana to the United Nations, “Intergovernmental Negotiating Committee on the UN Framework Convention on International Tax Cooperation”, \(New York, 04/08/2025\).](#)

[11 Center for Economic and social rights \(CESR\), “Tracking the UN Tax convention: daily updates from the first two negotiating sessions”, \(18/08/2025\)](#)

[12 Africa Group, “Written inputs from Africa Group on the Issues Notes on Workstream III: Prevention and Resolution of Tax Disputes”, \(2025\), Abstract paragraph 2-3](#)

mean creating global rules that are adapted to their capacities and needs, respecting their tax sovereignty, and preventing their dispute resolution from becoming a new source of inequality⁶.

Building on this perspective, The African Group believes that the protocol should focus on cross-border tax disputes rather than domestic ones⁷, since these pose the highest risks of legal uncertainty, revenue loss, and double taxation or non-taxation.

This position reflects a fundamental concern for protecting tax sovereignty. African countries are cautious about extending the protocol to domestic tax disputes, which could be seen as an overreach into national jurisdiction. Domestic disputes are considered an internal matter and bringing them under the protocol could undermine the clear distinction between national authority and international cooperation.

Mandatory arbitration and the North-South split

A strong consensus emerged among African countries (notably Nigeria, Tanzania, Côte d'Ivoire, and the wider African Group) against mandatory arbitration. The mandatory arbitration⁸ is clauses that could be integrated in bilateral tax treaties as mandatory binding arbitration to resolve disputes that the competent authorities was

unable to resolve within a certain time.

Since this mechanism can undermine their sovereignty, particularly their ability to make independent tax policy decisions. African countries feared that arbitration could favor wealthier multinational corporations and OECD countries, which had more legal and technical resources, creating an imbalance. This was a significant issue for developing nations with fewer resources to engage in long and complex arbitration processes⁹.

In the other hand, The African Group¹⁰ and CSO were aligned on the application of alternative dispute resolution mechanism anchored to UN mechanism to help countries with lower administrative capacities¹¹ and support “the building of fair, accessible and balanced dispute prevention and resolution system”¹².

Where African states and civil society slightly diverge

The African group believed that all provisions on dispute prevention and resolution should be within the framework convention, and all procedural details should go into Protocol 2 and accompanied by technical support and safeguards. In fact, the protocols are optional and become binding only if the States decide to take part in them while framework convention



[13 Tove Ryding," Breaking the ice in the UN Tax Convention negotiations", \(EURODAD,04/09/2025\)](#)

when ratified is mandatory for all.

However, Civil Society was concerned about this approach and believed that all dispute prevention and resolution including procedural details should be addressed within the convention¹³. They argued that having a consistent and uniform process for resolving disputes is crucial because it leads to greater legal certainty. If countries have different options or aren't required to follow the same steps, it could cause confusion and unpredictability in how disputes are handled.

The African Group aims to prevent the repetition of global power imbalances that have historically disadvantaged the South, through

introducing a new tax adjustment.

Negotiations on the second early protocol on tax dispute prevention and resolution revealed that developing countries are determined to ensure that the emerging Framework Convention reflects their realities and priorities. There is a strong preference for mechanisms that are inclusive, regionally adaptable, accessible to states with limited capacity and respectful for their sovereignty.

Therefore, it is crucial to strengthen coordination among African countries in the next steps of the negotiations, so, they can present unified positions and effectively advocate for their interests.