



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.

UN TAX CONVENTION TOR CHECK-LIST

As we begin week 2 of the negotiations, we present the Civil Society check-list for the Terms of Reference:

Fairness: Fairness is currently mentioned under Objectives (para 7). Some countries have raised questions about whether to delete it. **A reference to fairness must be kept in para 7.**

Progressivity: Currently not mentioned in the text, but Colombia has suggested a high-level commitment on progressive taxation to be added to the Substantive elements (para 10). This would be in line with the commitment from the Addis Ababa Action Agenda. **In line with Colombia's suggestion, a high-level commitment on progressive taxation must be added to para 10.**

Illicit financial flows: In the 1st draft negotiating text, IFFs were mentioned in the objectives (para 7) and as a topic for an early protocol. In the 2nd draft, the reference in the objectives had been deleted. **A reference to IFFs must be reinserted into para 7 and kept as an issue for early protocols.**

Addressing unfair allocation of taxing rights that disproportionately affects developing countries: This is a key part of the mandate (Resolution 78/230) and is currently included in principles (para 9) and under Substantive elements (para 10). **Addressing unfair allocation of taxing rights must be kept in para 9 and 10.**

Sustainable development: This is a central element in the Objective (para 7) and principles (para 9). **Language on "sustainable development" must be kept in para 7 and 9.**

Human rights: The 2nd draft ToR included a very balanced and focused paragraph on human rights under Principles (para 9). Some countries have raised questions and asked for more information, which civil society is happy to provide. Some countries have suggested human rights to be mentioned in the preamble. **The para on human rights can be referenced in the preamble but must also be kept in para 9 on Principles.**

Gender equality: This issue is not mentioned in the draft ToR. Some governments have argued that this would be covered by "human rights". **The issue of gender equality must be explicitly mentioned in the ToR.**



The richest countries in the world saying they don't have the resources to negotiate early protocols

THE CHECK-LIST, CONTINUED

Increasing equality within and between countries: Inequalities are not mentioned in the text, despite the fact that addressing inequalities is a key aim of taxation. **Language on addressing inequalities within and between counties must be added to the ToR.**

All issues suggested for protocols must also be covered by articles in the Convention: Colombia suggested linking para 10 on Substantive elements to the paragraphs on protocols, to reflect that protocols aim to implement the Convention, and that issues suggested for protocols must therefore have an anchor in the Convention. **In line with Colombia’s suggestion, all issues mentioned as topics for protocols must be covered by para 10 on Substantive elements (para 10 must be linked to the paragraphs on protocols).**

Taxation of high-net worth individuals: Taxation of high-net worth individuals is mentioned under Substantive elements (10) and early protocols (14). **Taxation of high-net worth individuals must be kept in para 10 and as an early protocol (para 14).**

Effective taxation of extractive industries: This issue is clearly mentioned in Resolution 78/230 but not in the ToR. Zambia has called for it to be included. **This issue must be added to the ToR, in line with Zambia’s suggestion.**

Tax and Environment (including climate) & the principle of Common But Differentiated Responsibilities: Climate / environment is included in the ToR under principles (para 9) and Substantive elements (para 10), as well as under “late” protocols (para 15). Common but differentiated responsibilities is not mentioned in the text. There are discussions about adding environmental issues to the preamble. The principle of Common But Differentiated Responsibilities must be added to para 9. **Environmental issues, including climate action, can be added to the preamble, but must also be kept in para 9 (principles) and 10 (Substantive elements) and added as an issue for an early protocol (para 14).**

Participation of civil society: It is clearly mentioned in Resolution 78/230 that the committee shall work with the contribution of civil society. However, it is not currently included in the ToR. **Text on civil society participation must be added to the ToR.**

Reform of the international corporate tax system & Taxation of cross-border services in a digitalized and globalized economy: Equitable taxation of multinational enterprises is under Substantive elements (para 10). Taxation of digitalized and globalized economy is under early protocols, and so is taxation of cross-border services (para 14). **Equitable taxation of multinational enterprises must be kept as an issue in para 10, and taxation of the digitalized and globalized economy, as well as taxation of cross-border services, must be kept as issues for early protocols (para 14).**

We look forward to ticking off this checklist with the support of all UN member states’!

Duplication Bingo

Duplication	Complementarity	Taxpayer rights
Capacity building	Consensus	Existing fora
Non-binding	Opt-in Opt-out	Could

How to Play:

Listen to the negotiations.
When a delegation mentions one of the words on the plate, cross it out.
When you have a full plate, yell "BINGO!"