



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.

WHY IS THE CONFERENCE OF THE PARTIES (COP) CENTRAL FOR THE UN TAX CONVENTION?

The Conference of the Parties is essential because it transforms a UN Convention from a static legal agreement into a living, cooperative process, capable of learning, adapting, and driving collective action over time. It is the main governing body of the Tax Convention. Its mandate should ensure the effective, inclusive, and adaptive implementation of the Convention, while respecting national tax sovereignty and promoting equitable international tax cooperation.

The COP will serve as the principal governing body of the UN Tax Convention, providing a permanent forum for cooperation, oversight, and decision-making among Parties. Given the dynamic and highly interconnected nature of the global tax system, a COP is essential to ensure the Convention's effective implementation and long-term relevance.

What are the COP main mandates?

1. Review and assess the implementation of the Convention by Parties.
2. Carry out concrete mandates outlined in the Convention, such as the further development and operationalization of specific mechanisms, oversight of subsidiary bodies, or the development of rulesets on specific issues.
3. Identify common challenges, gaps, and emerging issues in implementation and adopt decisions and agreed interpretations related to the Convention.
4. Develop technical guidelines and model provisions to support consistent application.
5. Consider developments in the global economy, including digitalization, financial innovation, and new forms of cross-border activities, and take appropriate action.
6. Propose amendments, protocols, or annexes to the Convention, in accordance with procedures outlined in the Convention.

7. Ensure that the implementation of the Convention supports sustainable development and domestic resource mobilization, particularly in developing countries.
8. Identify capacity gaps and technical assistance needs of Parties.
9. Establish reporting frameworks and review mechanisms.
10. Ensure transparency and inclusion of relevant stakeholders, including international organizations, civil society, academia, parliamentarians and the private sector, consistent with UN practices.

In conclusion, the COP is essential for the UN Tax Convention because it provides the institutional structure to govern, operationalize, adapt, and implement the Convention effectively, turning shared commitments on international tax cooperation into sustained collective action. This mandate should be clear in current Article 16.

It's the COP that will operationalize the Convention and not just the protocols, because the Convention is the foundational legal and institutional framework, while protocols are optional, voluntary, derivative, issue-specific and subordinated instruments adopted under the framework.



ENDING MISTREATMENT

The Protocol 1 negotiations have put a spotlight on the fact that some developing countries don't have many – if any – double tax treaties. And here's the thing – they shouldn't have to! We must make it possible for a country to join the global tax system without being forced to negotiate and sign these infamous bilateral treaties.

Why? Well firstly, because a truly multilateral agreement that provides international tax rules independently from bilateral agreements will create a much more clear and coherent international system, to the benefit of all.

Secondly, tax treaties are well known for being potentially harmful – including by leading to lower withholding tax rates (in some cases down to zero), and creating avenues for profit shifting and international tax abuse. Famously, even the IMF has published the advice that developing countries "would be well-advised to sign treaties only with considerable caution" (which we understand as IMF-speak for "oh my – these things are so harmful even we can't ignore it").

Thirdly, when the rules are developed in an inclusive and transparent body, and in line with the Convention objective, the outcome is likely to be much more balanced than they would be if the negotiation was – for example – between a powerful OECD country and a least developed country.

With this in mind, it is also crucial to avoid that the UN Tax Convention gets undermined by a legacy of injustice. Article 15, which specifies the "Relation with Other Agreements, Instruments and Domestic Law" will be essential in this context, and that article must specify that existing laws, treaties and agreements which go against the Convention have to be either re-negotiated or simply terminated. This is not only a tax-related question, but in fact a vital principle for effective multilateralism. When governments negotiate a UN Convention, they must be ready to stand by, and fully implement, the agreement.

We are here because the existing system has failed – now all governments must show a true will to change it.



Commitment Ins and Outs

Ins

- Focusing on building a strong foundation in the relationship (*the Framework Convention*)
- Opening up and communicating properly (*negotiating in good faith*)

Outs

- Running away from serious issues (*the transfer pricing system*)
- Focusing on past toxic relationships (*BEPS*)
- Feeling hesitant about the future (*could*)

 Read our catalogue of proposals for articles in the UN Tax Convention.

