



### **Third Session, UN Tax Convention Negotiations**

**November 17, 2025**

#### **Protocol 2**

#### **Intervention by Sara Ganter, from GPF Europe**

Thank you, Chair, for the opportunity to speak.

Distinguished delegates, I am speaking on behalf of Global Policy Forum Europe which is a member of the Global Alliance for Tax Justice. I would like to raise awareness to our concern that the discussion on scope is premature at this stage of the negotiations as emphasized by other colleagues.

In our view it doesn't make sense to fix the roof before building the house.

The type of tax disputes we will be dealing with in the future very much depend on decisions taken in the convention itself on a fairer allocation of taxing rights.

Civil society has been pointing out for many years that the level of judicialization in cases of international taxation has become very high, and has been growing due to the subjectivity of the rules on allocation of income, based on the arm's length principle in transfer pricing.

These ineffective and dysfunctional rules have been exploited by multinationals to avoid taxes. This is the main source of uncertainty in the tax compliance process and the increasing number of tax disputes.

Consequently the best way to provide certainty for potential taxpayers and tax administrations alike is to develop a new approach to the allocation of income of multinationals for tax purposes, based on the economic reality that they operate as unitary enterprises under central ownership and control.

In other words: if we get things right in the convention itself, it will save us a lot of time talking about dispute resolution.

I am German and I know that Germans are not generally famous for their good sense of humor, but there is the common German joke saying "Why keep it simple when you can make it complicated?" The discussion on scope seems to be following this logic.

As civil society we urge you: please keep it simple and make use of the advantages of unitary taxation.

Thank you very much.