



Fifth Session, UN Tax Convention Negotiations

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Protocol 2 - Financial Mechanism

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Last week, when discussing the article on funding some Member States argued against mandatory financial commitments for the Framework Convention. Now, in this protocol, those same States are negotiating text with clear implications for subsidiary bodies and a dedicated UN role in implementation. This protocol is resource-intensive for Member States and the UN alike.

Civil society's position is clear: the Convention needs a financial mechanism to govern the implementation of the Convention, its Secretariat, core mechanisms, and its protocols. We cannot accept a Framework Convention with no guaranteed funding which allows Member States to cherry pick which protocols to fund voluntarily, that starves the Convention's core resources and turns it into a channel for States to fund what serves only their priorities.

We are also concerned about the task force still working on transfer pricing data bases. Task forces must be established with a clear mandate agreed by the negotiating parties, not created ad hoc. We recall that there were concerns presented during the 4th session about diverting scarce resources toward principles never actually negotiated under this framework. Currently, there are 4 Member States with formal roles under Protocol 2 and none under Protocol 1.

Thank you.