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Thank you, Chair. I speak on behalf of the Global Initiative for Economic, Social and Cultural Rights.

Current cross-border tax dispute mechanisms are fragmented, costly, and skewed in favor of those with the most resources—often to the detriment of countries in the Global South. Business as usual, quite simply, only favors profitability for historically benefited nations and corporate actors at the expense of global majorities. This Convention requires actionable commitments from the outset. A commitment to adopt unitary taxation would inherently reduce disputes by simplifying the allocation of taxing rights. Additionally, the Convention should establish a transparent and inclusive mechanism under the COP, ensuring developing countries -including those with a smaller network of tax treaties- have equal access to fair processes.

The rise in complex, cross-border tax disputes has highlighted the inadequacy of systems like bilateral arbitration, Mutual Agreement Procedures under double taxation agreements or APAs. These mechanisms are often underutilized due to high costs, weak enforceability, and a lack of transparency or civil society participation. In some cases, corporations bypass them altogether, resorting instead to investor-state dispute settlement mechanisms that favour commercial interests over public ones. The goal should not be simply to fix these procedures, but to confront the structural roots of conflict. This includes things like revisiting the arm's length principle and replacing it with less litigious solutions like unitary taxation with formulary apportionment and enhancing multilateral cooperation to reduce disputes at the source, while safeguarding fiscal sovereignty.

The commitment and protocol on this topic are an opportunity to create a truly inclusive, fair, and effective system. We need a dispute resolution framework that strengthens national capacities, is simple, has safeguards against investor-state arbitration and avoids unnecessary litigation. We should also avoid creating a patchwork system full of optional mechanisms.

We also need to make sure that developing states have the resources necessary to pay for the legal counsel, accountants and capacity building that these sort of specialized mechanisms demand. Without ensuring sufficient and accessible funding without conditionalities, any dispute settlement mechanism, regardless of its form, will perpetuate preexisting inequalities and an unleveled playing field.

Dispute resolution is not just a procedural matter; it is essential to the legitimacy and effectiveness of the entire Convention. A mechanism that excludes the voices of the people affected, or that fails to consider the impacts the current system has on the State’s obligation to realize human rights and their ability to finance sustainable development is not acceptable.

I would like to finish by saying that we at civil society are ready and available to support this process with evidence, analysis, and expertise from every region and from every angle

Thank you.