

UN Tax Convention: A Global Fiscal Framework

The UN Tax Convention emerged from growing concerns about fairness in the global tax system. Historically dominated by developed nations through the OECD, this initiative shifts towards a more inclusive approach.

In December 2023, UN Resolution 78/230 established an Ad Hoc Committee to draft terms for international tax cooperation, primarily driven by the Global South.

 por Miguel Angel



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Key Objectives



Combat Tax Evasion

Target multinational corporations and high-net-worth individuals avoiding tax obligations.



Prevent Illicit Flows

Strengthen transparency and information exchange between nations.



Address Digital Economy

Tackle fiscal challenges arising from digitalisation and globalised services.



Ensure Fair Allocation

Guarantee developing countries receive their fair share of tax revenues.

Negotiation Timeline



Organisational Session

3-6 February 2025: Committee structure established, chair elected, decision procedures defined.



First Negotiations

26 April - 8 May 2024: Initial parameters discussed with civil society participation.



Second Session

29 July - 16 August 2024: Final draft terms of reference completed.



Terms Approval

November 2024: General Assembly approves definitive terms of reference.



US Withdrawal

January 2025: US officially withdraws following President Trump's executive order.

Voting Patterns and Opposition

Terms of Reference Vote

125 countries voted in favour

9 countries against (including US, UK)

46 abstentions (including EU members)

Argentina joined opposition in August ("Milei effect"?)

US Opposition Rationale

Preference for OECD's consensus-based approach

Concerns about fiscal sovereignty

Potential economic impact on US multinationals

Part of broader Trump withdrawal from multilateral commitments



Future Roadmap

Third Negotiation Session

May-September 2025: Begin drafting specific protocols on information exchange and digital economy.

Consolidated Draft Discussion

Late 2025-early 2026: Review framework convention draft with expanded expert and civil society participation.

High-Level Diplomatic Conference

2026-2027: Approve final UN Tax Convention text and open for member state signatures.

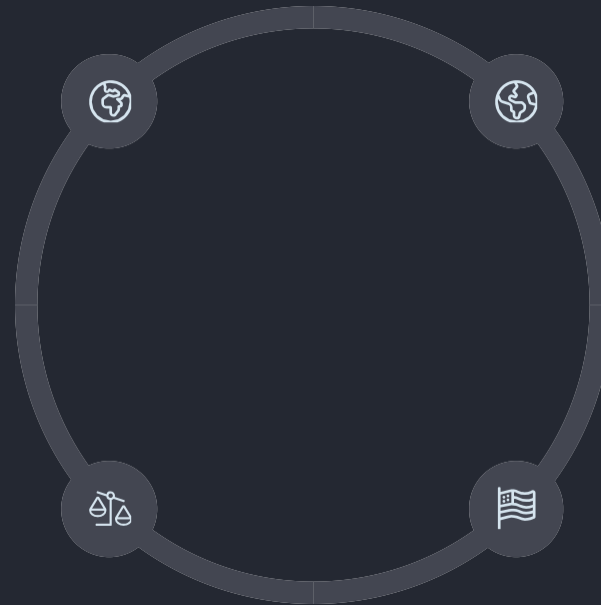
Case Studies and Divisions

Global South Position

Advocates for binding rules and equitable distribution of taxation rights.

Sovereignty vs Equity

Central tension between national control and global fairness.



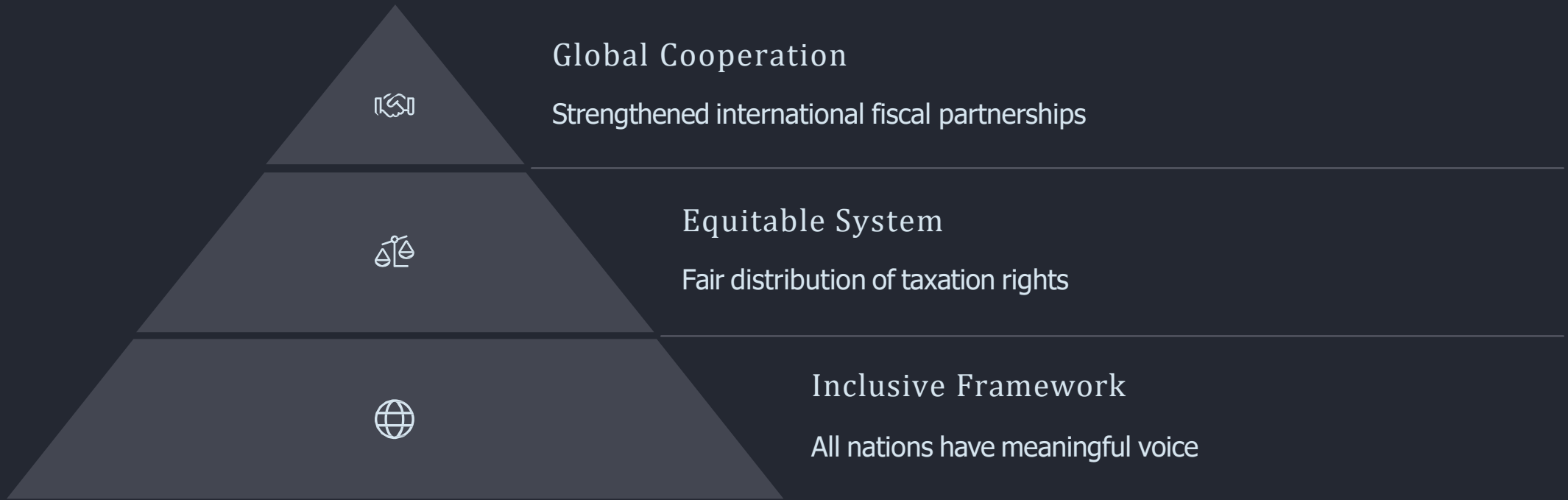
Global North Stance

Prefers maintaining status quo and avoiding binding commitments.

US Resistance

Expressed concerns about fiscal sovereignty loss and reluctance to fully participate.

Historic Opportunity for Reform



The UN Tax Convention represents a historic effort to reform the international tax system. Despite challenges in reaching consensus between countries with divergent interests, it offers a unique opportunity to address fiscal inequalities.