



LIETUVOS RESPUBLIKOS FINANSŲ MINISTERIJA
MINISTRY OF FINANCE OF THE REPUBLIC OF LITHUANIA

The UN Secretariat of the Ad Hoc Committee 21 June 2024
on Tax
Email: ahc-tax@un.org

**RE: LITHUANIA'S COMMENTS FOR ZERO DRAFT TERMS OF REFERENCE FOR A
UN FRAMEWORK CONVENTION ON INTERNATIONAL TAX COOPERATION**

Lithuania appreciates the presentation of the Proposal for Zero Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation. Along with the common position on behalf of the European Union and its Member States presented during the first substantive session of the Ad Hoc Committee in New York and building on comments delivered by Lithuania in its written contribution of 15 March 2024, hereby we are pleased to share the following comments on the Zero Draft Terms of Reference.

First, recognising the significance of the Terms of Reference for a United Nations Framework Convention on International Tax Cooperation in guiding the future work, we would like to reiterate the importance of consensus - based decision making to secure coordinated approach to global tax challenges. From our perspective, consensus could ensure policy coherence between various tax systems, policies and practices and international obligations and commitments, therefore we see it as a basis requirement for the negotiations among sovereign states and for the adoption of the text of the framework convention and its protocols.

As regards commitments mentioned in the Zero Draft of Terms of Reference, we strongly prefer them to be high-level and respecting consistency with already existing commitments. In the light of the discussions during the first substantive session of the Ad Hoc Committee in New York we would add our voice to the work on domestic resource mobilization, capacity building and fostering tax compliance. In addition to that, guiding notes on concepts used in the Terms of Reference that lacked common understanding among the parties would be highly welcomed to facilitate constructive discussions in the second session of the Ad Hoc Committee.

Furthermore, highlighting the need to ensure coherence of processes we would strongly support the negotiation of protocol or other possible instrument within a reasonable timeframe after concluding the negotiations of the framework convention. Moreover, we would advocate that the topics of the protocols focus on areas with the broadest consensus avoiding issues that are already under negotiation or covered by the internationally agreed standards. Finally, based on discussions during the first substantive session of the Ad Hoc Committee in New York we would consider appropriate to start this work with the conduct of an assessment of a limited number of issues leading to the prioritising of the topics.

We remain involved in the work on strengthening inclusiveness of international tax system.

Sincerely yours,
Darius Sadeckas
Vice Minister of Finance