

Philippines' Comments on the Zero Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

The Philippines recognizes that the Zero Draft Terms of Reference (TOR) is an agenda-setting tool to guide the discussions during the negotiations for the framework convention. In recognition of the evolving nature of taxation and the global economy, the Philippines reiterates that the TOR should be broad and flexible enough to allow Member States to discuss taxation issues and concerns that are currently relevant and would be relevant in future times.

The Philippines appreciates that the "Objectives" of the Draft TOR reflect the principles of inclusivity and commitment to multilateralism, interdependence, adaptability, and flexibility. It also highlights the promotion of equitable partnerships, the support for capacity building, and the much-needed focus on sustainable development.

In this regard, the Philippines submits the following comments:

1. In Paragraph 9, we propose including the following:
 - a. recognize and take into account the gaps in the tax systems of all countries before considering future protocols.
 - b. consider forums and/or similar avenues within which Member States can discuss and find agreement concerning specific taxation related issues.
 - c. ensure that relevant stakeholders are consulted and that their perspectives are factored in.
2. In Paragraph 14, on specific priority issues to be addressed in early protocols, tax measures on environmental and climate challenges should be included. It is noted that this paragraph is premised on the need for urgent actions.
3. In the section on "Approaches and timeframe for negotiations", it is noted that the following items were also discussed during the First Session, thus, should be reflected in the TOR:
 - a. No rotation of Headquarters (HQs). There was a call for the no rotation of HQs as some delegates/Member States may struggle with relocation costs when they transfer HQs.
 - b. Prompt circulation of documents. The TOR should reflect the early circulation of documents to afford Member States ample time to review the materials and propose sustainable solutions.
 - c. Translation of documents in multiple languages. The TOR should reflect that documents should be translated into various languages to promote inclusivity

- and ensure that all Member States have equal access to information and can fully participate.
- d. Availability of resources. A commitment on the timeframes is ideal, but the timeframes should be aligned with the availability of resources to ensure inclusivity and more effective implementation. Also, the TOR should indicate modalities in the decision-making process.
4. In the section on "Resources to support the work of the negotiating body":
- a. Paragraph 21 should explicitly list the facilities, which includes leveraging existing regional organizations, engaging with academia, and fostering productive dialogue through relevant training and post-assessment review/analysis.
 - b. Paragraph 22 should not limit capacity building only to "least developed countries" but ensure that capacity building will be available to all that require it.