



United Nations

Committee of Experts on International Cooperation in Tax Matters

**Report on the thirtieth session
(New York, 24–27 March 2025)**

**Economic and Social Council
Official Records, 2025
Supplement No. 25A**



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United Nations • New York, 2025

Note

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Chapter I

Matters calling for action by the Economic and Social Council

Draft decision for adoption by the Council on the venue, dates and provisional agenda of the thirty-first session of the Committee of Experts on International Cooperation in Tax Matters

1. The Committee of Experts on International Cooperation in Tax Matters recommends that the Economic and Social Council review and adopt the following draft decision:

Venue, dates and provisional agenda of the thirty-first session of the Committee of Experts on International Cooperation in Tax Matters

The Economic and Social Council

(a) Decides that the thirty-first session of the Committee of Experts on International Cooperation in Tax Matters will be held in Geneva from 21 to 24 October 2025;

(b) Approves the provisional agenda of the thirty-first session of the Committee, as set out below:

Provisional agenda of the thirty-first session of the Committee of Experts on International Cooperation in Tax Matters

1. Opening of the session by the representative of the Secretary-General.
2. Election of the Chair or Co-Chairs and Vice-Chairs of the Committee.
3. Remarks by the Chair or Co-Chairs of the Committee.
4. Adoption of the agenda.
5. Discussion of issues related to international cooperation in tax matters:
 - (a) Taxation and the Sustainable Development Goals;
 - (b) Issues related to the United Nations Model Tax Convention;
 - (c) Review and possible update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries;
 - (d) Procedural issues for the Committee;
 - (e) Other areas for Committee consideration and guidance as part of its work programme (including determining that work programme and setting up subsidiary bodies).
6. Provisional agenda of the thirty-second session of the Committee.
7. Arrangements for adopting the report of the Committee on its thirty-first session.

Chapter II

Introduction

2. Pursuant to Economic and Social Council resolutions 2004/69, [2017/2](#) and [2023/9](#), the thirtieth session of the Committee of Experts on International Cooperation in Tax Matters was held in New York from 24 to 27 March 2025. The in-person session was attended by 23 members of the Committee in person and one virtually, and by 214 registered in-person observers and 252 registered virtual observers.

3. The present report serves to summarize Committee discussions and decisions taken on the items set out in the provisional agenda of the Committee at its thirtieth session, as adopted by the Committee ([E/C.18/2025/1](#)), as follows:

Provisional agenda

1. Opening of the session by the Co-Chairs.
2. Adoption of the agenda and organization of work.
3. Discussion of issues related to international cooperation in tax matters:
 - (a) Procedural issues for the Committee;
 - (b) Taxation and the Sustainable Development Goals;
 - (c) Issues related to the United Nations Model Double Taxation Convention between Developed and Developing Countries;
 - (d) Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries;
 - (e) Transfer pricing;
 - (f) Taxation of the extractive industries;
 - (g) Environmental taxation;
 - (h) Dispute avoidance and resolution;
 - (i) Taxation issues related to the digitalized and globalized economy;
 - (j) Taxation of cryptoassets;
 - (k) Digitalization and other opportunities to improve tax administration;
 - (l) Increasing tax transparency;
 - (m) Wealth and solidarity taxes;
 - (n) Indirect tax issues;
 - (o) Health taxes;
 - (p) Relationship of tax, trade and investment agreements;
 - (q) Capacity-building;
 - (r) Other matters for consideration.
4. Provisional agenda of the thirty-first session of the Committee.
5. Arrangements for adopting the report of the Committee on its thirtieth session.

Chapter III

Organization of the session

Opening of the thirtieth session and adoption of the agenda

4. The Assistant Secretary-General for Economic Development, Navid Hanif, delivered an address as a representative of the Secretary-General. Mr. Hanif welcomed members and observers, emphasizing the significance of the Committee's twentieth anniversary alongside the culminating session of its 2021–2025 membership. He reflected briefly on two decades of progress of the Committee, noting its contributions to international tax cooperation, particularly in support of developing countries. He also spotlighted the achievements of the current membership, acknowledging the Committee's efforts, which had laid a robust foundation for future progress. In closing, he extended his profound gratitude to the members of the Committee for their unwavering commitment to transform international tax norms in support of the 2030 Agenda for Sustainable Development.

5. The Co-Chair, Mathew Gbonjubola, thanked Mr. Hanif for his remarks. He then presided over the adoption of the agenda, which was adopted without amendment.

Chapter IV

Discussion and conclusions on substantive issues related to international cooperation in tax matters

A. Procedural issues for the Committee

6. No issues relating to the Committee's practices and working methods were put forward for consideration at the session.

B. Taxation and the Sustainable Development Goals

7. The Director of the Financing for Sustainable Development Office, Shari Spiegel, delivered remarks on the role of taxation in advancing the Sustainable Development Goals. She underscored the importance of tax systems in financing public goods and services, especially amid global change, geopolitical uncertainty, rising tariffs and declining aid budgets, all of which threatened multilateral cooperation.

8. Ms. Spiegel emphasized the need for multilateral action to address systemic risks, illicit financial flows and major tax-related challenges that contributed to an estimated annual financing gap of \$4 trillion towards achieving the Goals. She reaffirmed the continued relevance of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, particularly as the international community prepared for the Fourth International Conference on Financing for Development, and called for renewed support for multilateralism.

9. Commending the work of the Committee, Ms. Spiegel highlighted progress in three areas: environmental taxation to advance climate and biodiversity goals, wealth taxation to reduce inequality, and health taxation to promote better health outcomes.

10. Ms. Spiegel stressed that fair and progressive tax systems were critical for inclusive growth and investments in social services. Strengthening domestic revenue mobilization capacities, she noted, was essential to achieving the Goals.

11. She further underlined the need for more inclusive and effective international tax cooperation to address gaps in current rules, particularly in the context of a digitalized global economy. In that regard, she pointed to the potential of a United Nations framework convention on international tax cooperation to reshape international tax rules in a more equitable and inclusive manner.

12. In conclusion, she reiterated that tax policy should not only raise revenue but also help build fairer and more sustainable and resilient economies. She welcomed the Committee's contributions to shaping such a system in support of sustainable development.

13. Following her remarks, the Co-Chair, Mathew Gbonjubola, expressed appreciation for Ms. Spiegel's statement. A member of the Committee, noting the importance of taxation to improving health outcomes, stated that health taxation was not reflected in the zero draft outcome document for the Fourth International Conference on Financing for Development but had been included in the Addis Ababa Action Agenda, and urged that it be included in the final outcome document.

C. Issues related to the United Nations Model Double Taxation Convention between Developed and Developing Countries

14. Carlos Protto, who, alongside Stephanie Smith and Rasmi Das, was one of the three Co-Coordiators of the Subcommittee on Updating the United Nations Model Double Taxation Convention between Developed and Developing Countries, introduced for the Committee's approval a note on technical issues arising under article 6 (E/C.18/2025/CRP.20). At the twenty-ninth session of the Committee, the Subcommittee had proposed changes to the text of article 6 of the Model Convention and its commentary to address technical issues relating to the definition of immovable property and the effect on residence State taxation of the allocation rule of article 6.

15. There had been no objections to the proposed commentary on the allocation rule. However, some Committee members and Member State observers had been concerned that the proposal to add the phrase "unless the context otherwise requires" to the definition would provide less clarity, not more. In the note, a proposal was therefore made that, rather than changing the text of article 6, a new paragraph focusing on principles of interpretation could be added to the commentary. The proposals on both the allocation rule and interpretation of the existing definition were adopted by consensus. While not objecting to the changes, one member expressed the view that the issue of illicit financial flows and their close linkage with article 6, which he had raised, went deeper than the solution provided in the draft commentary. He considered that the issue would need to be reverted to and robustly addressed, hopefully by the incoming membership.

16. Ms. Smith then presented two issues raised in the report of the Co-Coordiators (E/C.18/2025/CRP.17). The first was a technical issue that had been raised with respect to the commentary on article 5A, the new provision addressing income from extractives and other natural resources. Article 5A had been approved at the twenty-ninth session of the Committee, but a Member State observer had suggested that an alternative provision included in the commentary on employment income should follow article 15 more closely by referring to days of "presence" rather than days of "employment". The report of the Co-Coordiators included paragraphs that had been redrafted to achieve that result. Those paragraphs were approved by the Committee.

17. The second issue consisted of potential future work topics for the Committee's incoming membership. Five topics that had arisen during the course of the Subcommittee's work on the Model Convention were proposed for consideration by the incoming membership, while recognizing that the new membership would determine its own priorities:

- (a) The taxation of a permanent establishment under articles 7 and 24;
- (b) How source rules based on place of payment should be applied when an agent or other person makes a payment on behalf of the person bearing the economic burden of the payment;
- (c) The definition of "income from immovable property", including in the case of mineral royalties;
- (d) Whether certain aspects of the commentary should be revisited in the light of the adoption of the "subject-to-tax rule" in the new paragraph 3 of article 1;
- (e) Article 21 (Other income), including its scope and source rules.

18. One member of the Committee expressed concerns regarding the potential scope of the work with respect to permanent establishments, citing the length of the project on the attribution to profits of permanent establishments that had given rise to the "authorized OECD approach". While the project was considered important, it was

agreed that the topic should be further refined before submission to the incoming membership for consideration.

19. Other ideas for future work on the Model Convention included:

- (a) A re-evaluation of the allocation rule set out in article 6;
- (b) Possible guidance regarding the application of domestic law definitions of “dividends” under article 10;
- (c) Revision of the definition of “permanent establishment”, possibly to include non-physical permanent establishments;
- (d) Whether to call off the payor-source rule when an expense is borne by a permanent establishment in a third State (rather than only one of the contracting States);
- (e) Updating article 22 (Capital) to make it more consistent with article 13 (Capital gains).

20. Mr. Das then presented a paper entitled “Proposal for revisions to article 8 of the United Nations Model Double Taxation Convention between Developed and Developing Countries – Technical Issues” (E/C.18/2025/CRP.18). At its twenty-ninth session, the Committee had approved the general approach set out in the new article 8 (alternative A) and agreed to keep exclusive residence State taxation as alternative B. However, the Subcommittee had been asked to clarify the commentary and the text of article 8 (alternative A), if necessary, regarding (a) the treatment of journeys by air that involved multiple legs; (b) a circularity issue regarding the interaction of the definition in paragraph 3 and article xx as it then was (now article 12AA); and (c) the implications of including subparagraph 2 (a) if one or both parties to a bilateral convention did not tax on a net basis. In the paper, the Subcommittee proposed wording to address those three issues. It also addressed two other technical issues, namely the commentary on the definition of “international traffic” in article 3 and the treatment of activities on the high seas, that had arisen during its discussions.

21. Several observers, representing Member States and others, continued to raise concerns about the decision to include air transport in article 8 (alternative A), despite the issue having been decided at the twenty-ninth session. The Committee approved by consensus the wording in the paper addressing the various technical issues.

22. Mr. Protto then presented a note on the treatment of income from cross-border insurance activities (E/C.18/2025/CRP.19). At its twenty-ninth session, the Committee had approved the text of a new article 12C, subject to clarifying in the commentary certain technical issues raised during the session. The revisions in the note focused on technical issues regarding: (a) the application of the beneficial-ownership rule in the case of reinsurance; (b) the scope of article; and (c) the alternative-source rule based on location of risk. One Member State observer thanked the Committee for the clarifications in the note. The Committee approved the proposed changes and noted various consequential changes that would need to be made to article 12AA and other articles.

23. The Committee also considered the issue of the title of the United Nations Model Double Taxation Convention between Developed and Developing Countries. The paper on this issue (E/C.18/2025/CRP.3) was presented by the members of the working group tasked at the twenty-ninth session with addressing the issue, namely, Muhammad Ashfaq Ahmed (the original proponent of the change), Elisângela Rita and Kapembwa Namuyemba-Sikombe.

24. The members of the working group stated that the purpose of the change would be to recognize that the Model Convention and elements of it were relevant to more

than solely the negotiations and treaties between developed and developing countries, and that, in that sense, the current title could be seen as limiting the ambition for the Model Convention. They considered that there was no issue of reducing, or being seen as reducing, the focus of the Model Convention on developing countries, as such focus was clear from a reading of the Model Convention and from the mandate of the Committee as its custodian. Economic and Social Council resolution 2004/69, which gave the Committee that mandate, provided not only that the Committee should keep under review and update as necessary the Model Convention, but that, in that and other areas, it should give special attention to developing countries and countries with economies in transition. The members of the Working Group considered that it was important that the mandate of the Committee be noted in the introduction to the Model Convention. Finally, they noted that, in practice, the Model Convention was known as the United Nations Model Tax Convention, and that the shorter title would reflect that usage.

25. Some members of the Committee were unconvinced by the proposed change. They felt that it might blunt the main focus of the Model Convention as a model for developing countries entering into bilateral tax treaties with developed countries, a focus that had been a key argument for many recent changes to the Model. They also queried whether it would reduce the sense among developing countries of ownership of the Model Convention, or their ability to frame the updates to the Model in terms of what would work best for developing countries.

26. While views varied, there was considerable support among members and observers for the change in title. The Committee ultimately agreed to the change, which would take effect from the upcoming 2025 version of the Model Convention. It decided not to update the title of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries, since the Manual currently addressed the Model Convention as it had stood before the change to its title. Updating the Manual would be an issue for the incoming membership of the Committee to consider, and the title of the Manual would be best considered at that time.

D. Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries

27. The Co-Coordination for the Subcommittee on the Update of the United Nations Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries, Aart Roelofsen and Mr. Protto, reminded the Committee that the update to reflect the 2021 changes to the Model Convention had been published in 2023. It had been agreed at the twenty-ninth session that work on the next update of the Manual should be postponed to the next membership (subject to that membership's decision) because many changes to the Model Convention would be agreed only at the twenty-ninth and thirtieth sessions. The Co-Coordination expressed their interest in participating in the drafting of an update of the Manual after their membership.

E. Transfer pricing

28. The Co-Coordinator of the Subcommittee on Transfer Pricing, Ingela Willfors, presented the Co-Coordination's report (E/C.18/2025/CRP.4), highlighting that the Subcommittee had completed its workplan and that the Committee had approved guidance on: (a) transfer pricing during the economic downturn resulting from the

coronavirus disease (COVID-19) pandemic; (b) transfer pricing compliance assurance; (c) transfer pricing of carbon offsets and credits; (d) industry/sector guidance for agricultural products; (e) industry/sector guidance for the pharmaceutical industry; and (f) dispute avoidance and resolution focusing on advance pricing agreements and arrangements. The approved guidance had been released as advance unedited drafts on the Committee's website and was currently undergoing editorial work, with final versions expected by the middle of 2025.

29. Ms. Willfors noted that the Subcommittee had discussed a wide range of issues and had ultimately identified four priority areas for suggested consideration by the next membership of the Committee, in which guidance could fill important gaps and offer significant benefits to countries. The proposed areas of work included:

(a) Intragroup financial transactions, including guidance on how to distinguish between debt and equity, country risk adjustments and cash pooling;

(b) Intangibles, with a focus on the bundling of intangibles and the provision of practical steps for conducting an analysis of which entity within a multinational enterprise group was entitled to profits resulting from the development, acquisition, enhancement, maintenance, protection and exploitation of intangibles;

(c) Intragroup services, including a clearer categorization of services and practical guidance on the application of the benefit test;

(d) Industry-specific guidance, particularly for sectors such as telecommunications and infrastructure.

30. Members and observers expressed appreciation for the Subcommittee's valuable work and acknowledged the great practical relevance of the guidance provided. They also noted their general agreement with the identified priority areas for future work, although it was recognized that the next membership would determine its own workstreams. One member stressed the need for streamlining any potential workplan in the light of resource constraints.

31. Additional potential areas of work were proposed, including the implications of artificial intelligence for transfer pricing, the valuation of raw materials, industry guidance for tourism and the impact of employee mobility on value creation and transfer pricing outcomes. Observers noted the need for simplification of transfer pricing, including through safe harbours. One member suggested a fundamental discussion of the arm's length principle; other members took the view that such a broad discussion would not be appropriate for any future subcommittee on transfer pricing.

F. Taxation of the extractive industries

32. The Co-Coordinator of the Subcommittee on Extractive Industries Taxation, Nana Mensah, presented the Co-Coordinators' report (E/C.18/2025/CRP.7) and three papers submitted for the Committee's approval, on: (a) the valuation of mining products for tax purposes (E/C.18/2025/CRP.8); (b) tax incentives and the global minimum tax in the extractive industries (E/C.18/2025/CRP.9); and (c) energy transition in extractive industries (E/C.18/2025/CRP.10/REV). She provided an update on the Subcommittee's activities since the twenty-ninth session and gave a brief overview of the key elements of the three papers, noting that each had previously been presented to the Committee for consideration at earlier sessions.

33. The lead drafters of the papers also took the floor to elaborate on the documents and highlight the updates made since the previous versions. Michael Durst provided a brief overview of the paper on the valuation of mining products and its main

conclusions, noting the work carried out in conjunction with the Subcommittee on Transfer Pricing. Thomas Lassourd noted that the revised paper on tax incentives included only a few amendments compared to the earlier draft. Hafiz Chaudhury explained that the paper on taxation and the energy transition remained largely unchanged, with two key additions: an enhanced focus on tax issues related to carbon capture, and considerations related to climate justice.

34. Members of the Committee expressed appreciation for the work of the Subcommittee and shared their comments on the three papers. One member highlighted the importance of addressing corruption risks in the energy transition process, suggesting that transparency measures, such as those promoted by the Extractive Industries Transparency Initiative, could benefit the guidance on energy transition.

35. It was also observed that a general introductory section on valuation methods would assist tax officials in understanding the basis for the application of transfer pricing techniques. Another member suggested that the next membership of the Committee might wish to consider how the implementation of Pillar Two could affect the extractive industries in practice, and that real case studies could be examined in the coming years. Several members welcomed the collaboration with the Subcommittee on Transfer Pricing and emphasized the importance of reading the product valuation paper alongside the United Nations Practical Manual on Transfer Pricing for Developing Countries.

36. Members also appreciated the inclusion of country-specific references and expressed support for the practical orientation of the papers, particularly regarding domestic resource mobilization and investment certainty. In general, the practical value of the papers for developing countries and their potential contribution to domestic resource mobilization and climate action were also highlighted.

37. Observers also commented on the three papers. One observer suggested that, in the paper on the valuation of mining products for tax purposes, greater emphasis should be placed on bilateral advance pricing agreements. Another observer recommended clarifications to specific paragraphs of the paper on tax incentives, particularly regarding interest and royalties, the interpretation of simplified domestic minimum top-up taxes, and potential implications for non-multinational enterprises. A representative from the aviation sector expressed concern regarding references to carbon taxation initiatives in the paper on energy transition in extractive industries, emphasizing that international coordination on carbon emissions for the aviation industry was under the leadership of the International Civil Aviation Organization, in line with the Carbon Offsetting and Reduction Scheme for International Aviation. Overall, the papers were well received.

38. Ms. Mensah thanked all participants for their comments and indicated that some would be incorporated, as editorial amendments, into the final versions of the papers prior to publication. In particular, consideration would be given to correspondence received from the State Taxation Administration of China with updated data in relation to the paper on energy transition in extractive industries. Ms. Mensah invited suggestions for future workstreams that could build on the Subcommittee's output. The Committee approved the three papers, with the usual editorial process to follow.

G. Environmental taxation

39. The Co-Coordinators of the Subcommittee on Environmental Taxation Issues, Muhammad Ashfaq Ahmed and Susanne Åkerfeldt, presented their report

(E/C.18/2025/CRP.21) and provided an update on the Subcommittee's progress and considerations for future work.

40. The Co-Coordination noted that the guidance products produced under the current mandate had previously been approved and made available on the Committee's website, with the exception of part B of workstream 1, on assessing the interaction of carbon taxation with excise duties, value added tax (VAT) and income taxation, which was submitted for approval at the thirtieth session. The paper had been revised in response to feedback received at the twenty-ninth session.

41. The Co-Coordination reminded participants of the five main workstreams of the Subcommittee:

(a) Workstream 1: the interaction of carbon taxation with other national measures;

(b) Workstream 2: the role of carbon taxes and other measures in supporting the energy transition;

(c) Workstream 3: the interaction between carbon taxes and carbon offsetting programmes;

(d) Workstream 4: carbon border adjustment mechanisms and spillover effects on developing countries;

(e) Workstream 5: other environmental tax measures relevant for developing countries.

42. They further noted that advance unedited versions of the finalized papers were available on the Committee's website.

43. Looking ahead, the Co-Coordination offered some suggestions for possible future work by the next membership. They suggested continued analysis of cross-cutting administrative and implementation issues across environmental tax reforms, including:

(a) Strengthening the integration of environmental taxation into broader fiscal reform agendas to enhance simplicity, efficiency and effectiveness while delivering co-benefits;

(b) Developing sector-specific guidance, including in the areas of fossil fuel subsidy reform, agriculture, forestry, land use, water, waste management, maritime transport and aviation.

44. The Co-Coordination underscored the importance of advancing environmental tax policy in developing countries, including addressing administrative capacity constraints and sector-specific challenges.

45. Committee members and observers expressed appreciation for the Subcommittee's work and the practical value of the guidance developed. Suggestions included incorporating definitions of energy and carbon rates and illustrating "smart mixes" of policies with practical examples. One participant cautioned that environmental levies, particularly on international aviation, could have negative implications for small island developing States that relied heavily on tourism.

46. Several members noted the significant progress achieved under the current mandate, despite capacity constraints, and welcomed the relevance and practicality of the guidance produced.

47. The Committee approved the paper on part B of workstream 1 and expressed its appreciation to the Co-Coordination, the drafters, the Subcommittee participants and their respective institutions for their contributions.

H. Dispute avoidance and resolution

48. The Co-Coordinators of the Working Group on Dispute Avoidance and Resolution, Mr. Protto and Mr. Roelofsen, presented their report (E/C.18/2025/CRP.14). They suggested that the incoming membership consider updating the United Nations Handbook on the Avoidance and Resolution of Tax Disputes with the work from the current membership on:

(a) Bilateral advance pricing agreement/arrangement programmes and frequently asked questions;

(b) The relationship of tax, trade and investment agreements.

49. A member noted that dispute prevention and resolution was the subject of one of the early protocols of the United Nations framework convention on international tax cooperation and was therefore an important topic for future work of the Committee. Two observers noted some of the issues that arose when courts addressed bilateral tax issues, and they recommended the consideration of bilateral resolution in ways that sat between a mutual agreement procedure and arbitration and might alleviate some sovereignty concerns. In response, Mr Roelofsen noted that the existing Handbook addressed mediation, but that ideas for successfully avoiding and resolving tax disputes bilaterally were always welcome.

I. Taxation issues related to the digitalized and globalized economy

50. The Co-Coordinator of the Subcommittee on Taxation Issues related to the Digitalized and Globalized Economy, Liselott Kana, presented the Co-Coordinators' report on the Subcommittee's progress since the twenty-ninth session (E/C.18/2025/CRP.1/Rev.). She thanked members and participants for their contributions and highlighted the series of virtual meetings held during the intersessional period, as well as the close liaison with the Subcommittee on Updating the United Nations Model Convention.

51. Ms. Kana provided an overview of developments across the Subcommittee's three workstreams. Beginning with workstream B, which addressed the relevance of physical presence tests, she recalled that the Committee had agreed at its twenty-ninth session to adopt a new provision on cross-border services, provisionally referred to as article xx, consolidating articles 12A and 14, included in annex A to the Co-Coordinators' report. The Subcommittee proposed that the new provision be designated as article 12A and include current articles 12A and 14, along with their commentaries, in an annex to the Model Convention. The Subcommittee also submitted for approval a draft commentary accompanying the new article, contained in annex B to the Co-Coordinators' report.

52. The Co-Chair of the Committee, Mr. Gbonjubola, opened the floor for discussion. Several members expressed strong support for the proposals, noting the diminishing relevance of physical presence as a nexus for taxation and recognizing the balance achieved through the inclusion of a well-articulated minority view. While some members emphasized that physical presence should not be disregarded entirely, there was widespread recognition of the need to adapt taxation approaches to evolving economic realities. One member suggested that the taxation of artificial intelligence services could be explored by the next membership of the Committee.

53. Some members supported the designation of the new provision as article 12A, since it replaced the existing article, while others expressed concern that such numbering might cause confusion with the existing article 12A. Some observers echoed those concerns. Alternative numbering proposals were raised, including

“article 12AA” and “article 14A”, with a majority expressing a preference for “article 12AA” to avoid confusion. The Committee ultimately agreed to designate the new provision on cross-border services as article 12AA.

54. In relation to the proposed commentary to article 12AA, members discussed paragraph 86, which concerned gross taxation of permanent establishments, and its relationship with article 7 of the Model Convention. One member proposed deleting some words from paragraph 86, citing potential inconsistencies with domestic law and noting that those words did not appear in similar commentary to other articles. In a closed meeting, the Committee considered the proposal and agreed to delete the words “as long as that tax does not exceed the tax that would have been imposed on the profits attributable to the permanent establishment determined on a net basis. In addition” in paragraph 86, and to replace those words with “, but”.

55. A separate suggestion was made regarding paragraph 117, in which the deletion or amendment of a reference to reclassification under paragraph 7 of article 11 was proposed. Members acknowledged the complexity of those issues. In a closed meeting, the Committee agreed to retain paragraph 117 as currently drafted, noting that the concerns raised regarding that paragraph would be flagged for the consideration of the next membership. Those outcomes were reported to the open meeting, where the commentary to article 12AA was approved with the agreed modification.

56. Ms. Kana then presented consequential changes to the Model Convention arising from the adoption of article 12AA, as outlined in annex C to the Co-Coordination report. It was highlighted that additional consequential adjustments required by the deletion of articles 12A and 14 would be addressed editorially by the Subcommittee prior to the conclusion of its mandate in June 2025, with no substantial changes anticipated. Members approved the consequential changes, subject to any editorial refinement. It was also noted that minor corrections, such as a duplication of lettering, would be addressed accordingly.

57. On the issue of a proposed additional article 15 (4) in the commentary for countries wishing to address the taxation of income from employment derived by an employee resident in one contracting State and paid by an employer resident in the other contracting State, the matter was discussed in a closed meeting. As later reported in an open meeting, the Committee decided not to propose including that additional article in the forthcoming version of the Model Convention, as it would benefit from further consideration by the Committee. It could therefore be put forward to the next membership as an issue it might wish to consider and develop further.

J. Taxation of cryptoassets

58. A participant in the Ad Hoc Group on the Taxation of Cryptoassets, Muhammad Ashfaq Ahmed, presented the report of the Ad Hoc Group (E/C.18/2025/CRP.6), including the toolkit for the evaluation of crypto-related tax risks, as contained in the annex. He reminded participants that the first part of the toolkit, addressing cryptoreporting and tax crimes, and crypto-related losses and deductions, had previously been approved at the twenty-ninth session of the Committee. The second part, focused on risks relating to cryptofunctional substitutes, had been presented for first consideration at that session and was now submitted for approval.

59. Mr. Ahmed outlined the toolkit’s structure and the changes made following feedback from members and observers during and after the twenty-ninth session. He concluded by recommending that the next membership consider establishing a dedicated subcommittee to continue that work, given the growing relevance of the

taxation of cryptoassets and the limited experience among tax administrations and ministries.

60. Ms. Kana, as Co-Chair of the Committee, thanked the Ad Hoc Group and the Secretariat for their continued efforts and support, and opened the floor for comments. Members welcomed the work and supported approval of the second part of the toolkit. One member emphasized the importance of the toolkit in guiding tax administrations during audit practices. He suggested including further country examples. Another member proposed that in the discussion on nexus in the toolkit, the scope could be broadened to include references to wealth taxes.

61. Mr. Ahmed acknowledged the feedback received. The Secretariat confirmed that the changes proposed were editorial in nature and could be made before publication, in accordance with the usual editorial practices. The Committee then approved the second part of the toolkit, with the proposed adjustments.

K. Digitalization and other opportunities to improve tax administration

62. The Co-Coordination of the Working Group on Digitalization and Other Opportunities to Improve Tax Administration, Elisângela Rita and Waziona Ligomeka, presented their report (E/C.18/2025/CRP.12). Mr. Ligomeka outlined the specific issues that were up for discussion. The group presented for approval the outline of the guide to the digitalization of revenue authorities; part 2 on the legal governance framework (chaps. 3 and 4); chapter 5 on the data governance strategy and framework; and part 4 on innovative technologies (chap. 8).

63. Members noted that the guide would be very useful for countries that were digitalizing their operations, especially those that were in the early stages of digitalization. One member suggested, for possible future work by the next membership, consideration of Mexico as a case study, as it had made great strides in using technology for taxpayer identification and self-authentication, as well as in data protection. Another member noted that there was overlap in some of the sections of the guide, which needed to be addressed, in particular the section dealing with reviewing old laws and data protection.

64. It was observed that data protection had a number of issues arising, especially to do with the conflict between protection of taxpayers in adherence with data protection laws and the need for access to taxpayers' information by oversight authorities. Addressing this conflict was suggested as a possible future workstream for the next membership. An observer highlighted the need for integration of government systems in order to have a "whole-of-government" approach to digitalization.

65. Ms. Rita also noted other suggested ideas for possible future work, which the next membership might wish to consider. These included:

(a) Creating a governance framework to regulate and guide the use of new technologies in revenue administration;

(b) Use of new technologies in dispute resolution;

(c) Use of digitalization for risk management;

(d) Electronic invoicing.

66. The Committee approved the papers subject to any editorial changes required.

L. Increasing tax transparency

67. The Co-Coordination of the Subcommittee on Increasing Tax Transparency, José Troya and Ms. Mensah, presented their report (E/C.18/2025/CRP.13). The Subcommittee was presenting the guidance on increasing tax transparency for approval. Mr. Troya highlighted the areas that the guidance covered in accordance with the mandate, which were:

- (a) The exchange of information, including practical guidance for countries new to the practice;
- (b) The use of exchanged information for non-tax purposes;
- (c) Assistance in the collection of tax debts.

68. A member noted that their country had recently joined the Global Forum on Transparency and Exchange of Information for Tax Purposes, and, accordingly, the guidance would be very useful in setting up their exchange of information framework. It was also proposed that for future work, the incoming membership might wish to consider addressing the issue of exchange of information on property, streamlining the tax residence certificate confirmation by leveraging technology in order to automatically exchange that information, and establishing a framework at the United Nations for the automatic exchange of information.

69. The Committee approved the guidance subject to any editorial changes required.

M. Wealth and solidarity taxes

70. The Coordinator of the Subcommittee on Wealth and Solidarity Taxes, Mr. Troya, introduced the Coordinator's report (E/C.18/2025/CRP.5) and presented for approval the annex to the report, containing the United Nations sample net wealth tax law (the sample law).

71. Mr. Troya highlighted the main changes to the sample law since the previous session, including an expansion of the foreword, changes to the guidance on relief from international double taxation, clarification of what constitutes deductible liabilities, and the inclusion of a placeholder article on transition rules. In addition, the article previously called "exit taxes" was renamed "changes in residence status" to better reflect its content. He then provided an overview of the structure of the sample law, consisting of a foreword, preamble, and four chapters: chapter I (Enabling provisions); chapter II (Imposition of the wealth tax); chapter III (Administration of the tax); and chapter IV (Special rules).

72. Reporting on discussions in the Subcommittee, Mr. Troya presented initial proposals for consideration by the next membership of the Committee. The proposals included work on articles 22 (Capital) and 24 (Non-discrimination) of the Model Convention, as well as inheritance and gift taxes and property taxes.

73. In addition, Mr. Troya emphasized the importance of responding to country requests for capacity-building activities to assist in the implementation of the sample law. He concluded by expressing gratitude to the Committee members, Subcommittee participants, observers and the Secretariat for their ongoing support.

74. Members expressed appreciation for the Subcommittee's work and its outputs. Several members highlighted the utility of the guidance for developing countries, given the challenges such countries faced in drafting legislation. Suggestions included editorial adjustments, such as removing the term "wealth" from the heading of article 20 when referring to tax authorities, and a concern was noted regarding the

absence of a dispute resolution mechanism in the sample law. Proposals were made to add further country experiences to appendix C of the United Nations Handbook on Wealth and Solidarity Taxes. As the Handbook had already been approved at the twenty-eighth session, it was considered that those proposals were better left for consideration by the next membership of the Committee when determining its programme of work.

75. Observers echoed appreciation for the Subcommittee's work and provided further insights. Issues raised included challenges related to what constituted "economic value" for valuation purposes, as well as difficulties involved in valuing untitled land. The issue of tax evasion and underreporting of assets by residents and non-residents was raised, and the importance of the international exchange of information to combat evasion effectively was also noted.

76. Mr. Troya explained that certain points, such as dispute resolution, had been omitted intentionally to allow countries to adapt the sample law to their domestic tax law. He noted the ongoing need for improved exchange of information frameworks and recognized that net wealth taxes presented unique international coordination challenges compared to income taxation.

77. The Committee subsequently approved the United Nations sample net wealth tax law.

N. Indirect tax issues

78. The Co-Coordinators of the Subcommittee on Indirect Tax Issues, Ms. Namuyemba-Sikombe and Mr. Ligomeka, presented the Co-Coordinators' report (E/C.18/2025/CRP.11) and provided an overview of the Subcommittee's work since the previous session of the Committee. They emphasized the Subcommittee's key achievements, recalling that four papers had already been approved during the twenty-ninth session, covering: (a) an overview of VAT/goods and services tax (GST) in developing countries; (b) VAT/GST treatment of small enterprises; (c) introduction to VAT/GST refunds; and (d) use of new technologies to improve VAT/GST compliance (e.g. information technology systems, e-invoices and big data).

79. The Co-Coordinators also explained that, due to time constraints and the need for prioritization, the work on additional topics had been suspended and might warrant further consideration by the next membership. Those topics included: (a) the interaction between VAT/GST and other taxes; (b) VAT/GST treatment in specific sectors, including tourism and construction; and (c) VAT/GST issues related to government entities, charities and donor-funded projects.

80. In addition, Mr. Ligomeka outlined some other suggested topics that any future subcommittee on indirect tax issues might wish to consider carrying forward, such as:

- (a) The VAT treatment of Islamic finance instruments;
- (b) Designing VAT/GST systems to be less regressive;
- (c) VAT and the financial sector;
- (d) VAT in the digital economy;
- (e) Prevention and resolution of cross-border VAT/GST disputes;
- (f) The application of VAT/GST to digital platforms from a developing country perspective;
- (g) The use of electronic certificates for VAT/GST refunds.

81. Ms. Namuyemba-Sikombe expressed gratitude to all contributors to the Subcommittee's work, including representatives from international and regional organizations, tax officials, academia and the business community.

82. Ms. Kana, as Co-Chair of the Committee, emphasized the critical importance of VAT for developing countries and thanked the Co-Coordination and the Subcommittee for their dedicated efforts, subsequently opening the floor for comments.

83. Members, participants and observers commended the guidance products. Several emphasized the importance of continuing work on e-invoicing and leveraging technology to enhance tax compliance. They echoed their support for the collaborative approach taken by the Subcommittee and stressed the need for more practical guidance, particularly on VAT refunds and dispute prevention. A member noted that the concept of a permanent establishment for VAT purposes was a significant area that might merit further exploration. A participant clarified that electronic invoicing had already been addressed in one of the previously approved papers, but acknowledged the importance of deepening that topic in future efforts. The hope that the next membership would continue and deepen the work on VAT and other indirect tax issues was widely expressed.

O. Health taxes

84. The Co-Coordination of the Subcommittee on Health Taxes, Trude Steinnes Sønvisen and Ms. Namuyemba-Sikombe, presented the complete United Nations Handbook on Health Taxes for Developing Countries, as contained in document E/C.18/2025/CRP.16, the primary product of the Subcommittee's programme of work, and also provided suggestions for future work.

85. Before the thirtieth session, the Committee had approved eight chapters of the Handbook. Ms. Steinnes Sønvisen reminded the Committee that, at its twenty-ninth session, it had held a first discussion of the remaining chapters: chapter 1 (Introduction to the Handbook on Health Taxes for Developing Countries); chapter 6 (Practical considerations for health tax revenue use); chapter 7 (Administering health excise taxes); chapter 9 (Ensuring coherence between policy instruments); and chapter 11 (Specific issues with respect to tobacco taxation).

86. After the twenty-ninth session, several observers had sent in written comments, which had been considered by the relevant drafting groups and then discussed by the entire Subcommittee at its in-person meeting held in February 2025. At that meeting, the Subcommittee had also reviewed the entire Handbook to ensure consistency and remove redundancies.

87. Ms. Namuyemba-Sikombe also described three possible areas for future work that had been identified during the Subcommittee's meeting and which the next membership might wish to consider:

- (a) Practical guidelines/a toolkit on how to implement health taxes;
- (b) Development of an audit manual for health taxes (and excise taxes more generally).

88. She also noted that the Secretariat might wish to consider the development of training materials for use in capacity-building activities to disseminate the guidance in the Handbook.

89. At the thirtieth session, Committee members intervening were overall very supportive of the Subcommittee's work as reflected in the Handbook. One member noted that the example on earmarking regarding his home country required some

clarification, and that he would provide specific language. Another member suggested that the guidance could be expanded in the future to discuss other products with negative externalities and approaches for addressing the issue of affected workers. One Member State observer requested clarifications regarding energy drinks and other beverages, but it was noted that any positive statements would run counter to recent World Health Organization recommendations, which were reflected in the Handbook. Another Member State observer addressed the importance of regional cooperation and not driving consumers to unhealthy substitutes, but did not request any changes to the discussions of those issues in the Handbook.

90. Accordingly, the remaining chapters of the Handbook were approved, subject to the clarification mentioned above, which were regarded as editorial.

P. Relationship of tax, trade and investment agreements

91. The Co-Coordinator of the Subcommittee on the Relationship of Tax, Trade and Investment Agreements, Mr. Ligomeka, presented the Co-Coordinators' report (E/C.18/2025/CRP.2), providing an update on the Subcommittee's progress since the previous session of the Committee. Ms. Kana and Mr. Roelofsen were the other Co-Coordinators.

92. Regarding workstream A on guidance concerning tax and investment agreements, Mr. Ligomeka briefly recalled the scope of the guidance and its approval at the twenty-ninth session, and expressed appreciation to Subcommittee participants, the consultant Alain Castonguay and the Secretariat for their continued support. The guidance would be edited and published as soon as possible.

93. Regarding workstream B, concerning the relationship between tax treaties and the General Agreement on Trade in Services of the World Trade Organization, Mr. Ligomeka recalled that, at the twenty-eighth session, the Committee had agreed that the General Agreement provision, previously included only in the commentary to article 25 of the Model Convention as an option, should be integrated directly into the text of the article itself. That provision was subsequently approved at the twenty-ninth session.

94. Mr. Ligomeka noted that the Subcommittee had also considered introducing an extended provision in the Model Convention addressing relationships with non-tax agreements more generally (often referred to as an "extended provision") and not just the General Agreement. At its twenty-eighth session, the Committee had agreed to include such a provision in the Model Convention, with a subsequent decision at the twenty-ninth session confirming its placement directly in article 25, rather than solely in the commentary.

95. Mr. Ligomeka explained that the annex to the Co-Coordinators' report included a draft commentary to article 25, now presented for the Committee's approval. The Commentary addressed both the "General Agreement clause" and the "extended provision", and reflected both majority and minority positions in the usual fashion of the Committee. The commentary included an alternative version of the extended provision applicable to "any other treaty of which the Contracting States are, or become, Parties" for countries wishing to cover future treaties. The commentary noted some of the issues relating to cases where a treaty provided that it take precedence over later treaties.

96. Several Committee members provided comments. One member fully supported integrating the General Agreement provision but expressed strong reservations about the extended provision, aligning with the minority view detailed in paragraphs 69–76 of the commentary. The member expressed concerns about what, in their view, was

an untested provision, with an unclear application, and which seemed to be at odds with the whole-of-government approach described in paragraph 93 of the commentary.

97. Other members, however, supported the extended provision and its commentary, highlighting the existing inclusion of an extended provision in numerous treaties and its ability to strengthen the role of tax authorities in addressing tax matters. Those members emphasized the importance of clearly distinguishing tax matters from investment issues and ensuring that tax disputes were handled by tax specialists rather than investment dispute tribunals. An observer emphasized the importance of maintaining protections within investment agreements, highlighting an increased frequency of tax-related investment disputes and the necessity for safeguards against actions unrelated to legitimate tax revenue concerns.

98. Ms. Kana, as Co-Coordinator, thanked Committee members for their extensive input, acknowledging the collaborative efforts and valuable feedback contributing to the final product. Following those deliberations, the Co-Chair, Mr. Gbonjubola, put the text to the Committee, and the Committee approved the commentary to article 25, subject to the usual minor editorial adjustments. Subsequently, during a closed meeting, it was determined that the minority view would be classified as representing a “medium-sized minority”, in accordance with the guidance in paragraph 30 of the introduction to the Model Convention.¹ That conclusion was noted in the open meeting.

Q. Capacity-building

99. The Chief of the Capacity Development Unit in the Financing for Sustainable Development Office, Emily Muyaa, updated the Committee on the Secretariat’s tax-related capacity development efforts since the twenty-ninth session and outlined upcoming activities.

100. Ms. Muyaa emphasized that the Secretariat’s capacity development activities in this area, conducted by the staff in both the Capacity Development Unit and the International Tax Cooperation Unit in the International Tax and Development Cooperation Branch of the Office, were closely aligned with the Committee’s policy agenda and technical outputs. A range of initiatives were highlighted, including workshops, online courses and outreach efforts. A national workshop on transfer pricing in Africa, delivered in English and French, provided hands-on training using real-world audit case studies. A regional workshop for Portuguese-speaking African countries, developed in collaboration with participating countries and conducted in English and Portuguese, covered tax treaties, extractive industries, transfer pricing and tax incentives.

101. Ms. Muyaa also reported on a virtual workshop for the Asia-Pacific region focused on attribution of profits to permanent establishments, which had been attended by over 60 tax officials. The training enhanced understanding of United Nations and Organisation for Economic Co-operation and Development model treaty provisions and their practical application. She noted the launch in December 2024 of a new United Nations online course on the fundamentals of transfer pricing and the French version of the United Nations course on mutual agreement procedures.

102. Looking ahead, she outlined the calendar of activities, including virtual and in-person workshops on agriculture, extractive industries, carbon and indirect taxation, and treaty negotiation, as well as regional workshops in Africa and Asia. The Office would also continue country-level workshops under the sixteenth tranche

¹ Available at https://financing.desa.un.org/sites/default/files/2023-05/UN%20Model_2021.pdf.

of the Development Account, which, among other objectives, was supporting the development of a risk assessment tool to help countries identify and address significant vulnerabilities to aggressive tax avoidance.

103. Ms. Muyaa noted the Secretariat's participation in international and regional tax events to disseminate United Nations guidance and identify emerging needs and priorities of developing countries. She also highlighted ongoing collaboration under the Platform for Collaboration on Tax, including a public consultation on the Platform's ongoing work on tax incentives principles and the Platform's forthcoming 2024 annual progress report.

104. Ms. Muyaa expressed appreciation for financial and in-kind contributions in recent years from the Government of India, the Government of Norway, the Government of Denmark, the European Commission, the Government of Sweden, the regular programme of technical cooperation and other partners.

105. Participants welcomed the update, encouraging additional focus in a number of areas, including the taxation of the informal economy, tax-related illicit financial flows and leadership development. Ms. Muyaa noted all the comments and suggestions and concluded by underscoring the importance of continued financial and in-kind support to strengthen the Secretariat's capacity development work in response to growing demand from developing countries.

R. Other matters for consideration

106. No additional matters were raised for consideration. Members were reminded, as a general matter, that it had always been the practice of the Committee for the editing of the texts finalized and approved by the Committee to be conducted under the supervision of the relevant coordinators and that the process did not entail the making of substantive changes.

107. The Secretariat also thanked the participants at the meeting, as well as subcommittees and working groups, for suggestions (including in the sessional papers) as to possible future Committee workstreams. While the priorities for the next membership would, of course, be determined by that membership, the suggestions made would be compiled and presented to the next membership to help guide it in that task. There was also likely to be a formal call for suggestions of workstreams later in 2025.

Agenda item 4: Provisional agenda for the thirty-first session

108. The provisional agenda for the thirty-first session proposed for approval by the Economic and Social Council is set out in chapter I of the present report. Members were informed that the dates and venues of the next session, to be held in Geneva, had yet to be confirmed by the Council but were expected to be from 21 to 24 October 2025.

Agenda item 5: Arrangements for adopting the report of the Committee on its thirtieth session

109. The Secretary noted that arrangements for the report on the thirtieth session would, as usual, be as provided for in the Committee document entitled "Practices and working methods for the Committee of Experts on International Cooperation in Tax Matters".²

² Available at <https://financing.desa.un.org/sites/default/files/2023-03/Practices%20and%20Working%20Methods%20cover%20and%20color.pdf>.

Closing remarks

110. The Co-Chairs thanked Committee members and observers for their in-person or virtual participation in the session, the last of the 2021–2025 membership. They acknowledged the valuable contribution of observers and also of those countries and groupings financially supporting the work of the Committee. They also thanked the Secretariat and those providing interpretation and conference services in New York. The Secretariat thanked all those participating and engaged in the work since 2021, especially the Co-Chairs, for their skilled handling of the session and the Committee agendas and workplans since 2021. After a final closed meeting, the session was formally concluded.

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