Summary Brief: Research workshop on the UN Framework Convention

November 2026

The International Centre for Tax and Development (ICTD) and the Oxford University Centre for Business Taxation at Saïd Business School, together with an international organising committee, organised a two-day workshop on the UN Framework Convention on 9–10 November 2026, to discuss research that engages directly with the negotiation of the UN Framework Convention and its two early protocols on cross-border services and dispute resolution and prevention. This brief summarises the different contributions, organised by the article or topic of the draft texts that they address; some papers concern more than one aspect and therefore appear under more than one heading. They are all based on the drafts that were released in July 2026 and the discussions up to the fifth negotiation session. Not all papers share the same perspective; they should be seen as a collection of ideas to move the negotiations forward.

Organising Committee: Philip Baker, Tsilly Dagan, Martin Hearson, Frederik Heitmüller, Aisha Aize Isa, Irma Mosquera Valderrama, Belema Obuoforibo, Alexandra Readhead, Josefina del Rosario Lago, Suranjali Tandon, John Vella

The Framework Convention

Objectives and principles (Articles 1–2)

Miranda Stewart / Aicha Anilus – **The UN Tax Framework Convention: From Diagnosis to a Realistic Path Forward** International business taxation is a "wicked problem" in a crowded field of overlapping institutions, and the climate change and tobacco control framework conventions offer useful drafting lessons. The Convention needs sharper objectives and a principle of common but differentiated responsibilities of states.

Definitions: tax-related illicit financial flows (Article 3(2))

Walter Hillary Kaijamahe – **Can the Stamp Cross the Border? Excise Smuggling, Fiscal-Marking Data and Articles 3(2) and 11 of the Draft UN Tax Convention** Smuggling should not be excluded from the definition of tax-related illicit financial flows in Article 3(2), since smuggling lawful excisable goods is a revenue offence.

Sustainable development (Article 4)

Sergio Chaparro – **Making Article 4 Matter: Environmental Tax Cooperation in the UN Tax Convention** A new operative paragraph should oblige States to strengthen the contribution of tax systems to climate and environmental goals. This could enable future tax cooperation in at least eight environmental areas, from fossil-fuel profits and resource rents to tax incentives that are harmful to the environment.

Fair allocation of taxing rights (Article 5)

Two papers deal directly with Article 5(1) of the July 2026 Zero Draft, which ties a fair allocation of taxing rights to each jurisdiction's "real economic contribution". They agree that the concept is too vague to guide negotiators without clearer definitions. The November 2026 rev 1 draft goes in this direction by removing the term "real". A third paper discusses how to gain consent to more source taxation under the article.

Christina Dimitropoulou / Kasper Dziurdź – **"Real Economic Contribution" and the Allocation of Taxing Rights: Article 5(1)** The test mixes up two functions (which States may tax, and how much), relies on vague terms, and ignores residence, non-business income and tax certainty. A minimal fix would drop "real" and restore "economic activity"; a broader option is a "personal and economic connections" standard.

Suranjali Tandon – **From principles to practice: Evaluating Articles 5, 13 and 21 of the UN tax convention** "Fair allocation of taxing rights" has no agreed definition or measure. There are different approaches that countries have chosen to adopt in the context of the digital economy, and the difficulties with operationalising the concept are observed in the experience with the Pillar One negotiations. The issue is of a similar nature to climate finance; therefore, as under the UNFCCC, flexibilities in target setting and difference in treatment may be required.

Edwin Vanderbruggen – **Novel Approaches to Reconciling the UN Framework Tax Convention with the Tax Treaty System** Consent to more source taxation under Article 5 could be broadened by limiting it by income type or need, pairing it with stronger dispute-resolution and taxpayer rights, or linking it to European Union policy goals.

Harmful tax practices (Article 8)

Amedeo Rizzo – **Beyond Substance: Rethinking Harmful Tax Practices under the UN Framework Convention** The "substantial activity" tests of BEPS Action 5 and the global minimum tax can favour countries that already have the capacity to use recognised incentive models, while narrowing developing countries' policy space. Drawing on WTO subsidy rules and the OECD's revised review methodology, Article 8 could distinguish artificial profit diversion and concealment from other cross-border effects that development benefits may justify and simplify review where international effects are small. Scrutiny would also extend to incentives attracting individuals and to generally applicable low or zero taxation.

Mutual administrative assistance and exchange of information (Articles 10–11)

Walter Hillary Kaijamahe – **Can the Stamp Cross the Border? (see also under Article 3(2))** Article 11 should include a clause allowing verifying tax-stamp data across borders, which could help combat excise tax evasion. Evidence from Uganda shows that such evasion may be common in the East African Community as neighbouring countries record only 44% of the stamped goods Uganda reports exporting to them.

Institutions and decision-making (Articles 13–18)

These contributions ask how the Convention will function as an institution: how the Conference of the Parties takes decisions, and how the Convention fits alongside existing international tax bodies. On voting, both Pushkareva and Stewart/Anilus favour consensus as the default, with majority voting only as a limited fallback.

Natalia Pushkareva – **Decision-Making under the UN Framework Convention on International Tax Cooperation: Representation, Consensus, and Effective Cooperation on Tax** The clash between majority voting (backed by the African Group) and consensus (backed mainly by developed countries) matters less than the legal effect that decisions of the Conference of the Parties have on States that opposed them. Article 13 should provide for consensus first, a last-resort majority whose threshold rises with a decision's legal effect.

Miranda Stewart / Aicha Anilus – **The UN Tax Framework Convention: From Diagnosis to a Realistic Path Forward** The Conference of the Parties is the critical institution for the Convention. Most framework conventions permit the COP to set its own procedures based on consensus. Some then establish voting rules. This approach could help balance different perspectives, while protecting majority voting as a fallback for Convention amendments and for the COP to adopt protocols.

Relationship with existing treaties and other instruments (Article 21)

Article 21 leaves existing treaties untouched while asking States to align them with the Convention over time. The papers find this compromise insufficient and look for ways to give it real content without losing States' consent. Related questions of how the Protocols interact with existing treaties are covered under Protocol I and Protocol II below.

Irma Mosquera / Peter Hongler – **Relation between the UN Framework Convention on International Tax Cooperation and other governing bodies** The July 2026 Zero Draft sets out high-level commitments and its governance provisions are unfinished. It does not yet sufficiently address its relationship with existing bodies such as the Forum on Harmful Tax Practices and the Global Forum on Transparency and Exchange of Information. A plurilateral model inspired by the trade regime would work better: mandatory governance rules in the Convention, with coalitions of willing States concluding topic-specific agreements under its umbrella and judicial control on an opt-in basis.

Edwin Vanderbruggen – **Novel Approaches to Reconciling the UN Framework Tax Convention with the Tax Treaty System** Leaving existing tax treaties untouched while requiring renegotiation "where necessary" postpones rather than resolves the conflict between the Convention and those treaties.

John Mwangi – **From Progressive to Measurable: Designing an Effective Alignment Obligation under Article 21** The duty to take "progressive and meaningful steps" towards aligning existing treaties, as currently drafted in Article 21, cannot be measured. Drawing on lessons from the implementation of Article 2(1) of the International Covenant on Economic, Social and Cultural Rights, which similarly frames obligations in terms of progressive realisation, this paper proposes that Article 21 be amended to add clear deadlines for aligning existing treaties, a non-retrogression rule, measurable benchmarks with reporting on progress, and a facilitative fallback where bilateral renegotiations stall.

Miranda Stewart / Aicha Anilus – **The UN Tax Framework Convention: From Diagnosis to a Realistic Path Forward** The Convention should provide for deadlines and public reporting under Article 21 while maintaining the protection of existing treaties in 21.2 and the requirement to commit to progressive alignment in 21.3.

Suranjali Tandon – **From principles to practice: Evaluating Articles 5, 13 and 21 of the UN tax convention** Technical support and overlaps with existing treaties including current international reporting frameworks needs deeper examination as tensions may emerge in application of rights and obligations under various agreements.

Izadora Coutinho – **Preserving Investment Treaty Obligations while Limiting Recourse to Investor–State Arbitration? Article 21 and Protocol II of the UN Framework Convention** The current wording of Article 21 does not prevent a determination by tax authorities under Protocol II from binding arbitrators under existing investment treaties, but it makes it hard to infer that States meant to modify those treaties (see also under Protocol II).

Tatiana Falcão / Bob Michel – **Trade Rules in the Tax Space: What Digital Economy Agreements Mean for the design of the Services Protocol** The tax provisions of digital economy agreements can constrain the way the Convention and its protocols relate to other international instruments (see also under Protocol 1).

Protocol 1 on cross-border services

Definitions

Alina Miyake – **Old source rules meet a multilateral protocol: how Protocol 1 would interact with Latin American tax treaties Across tax treaties** concluded by Brazil, Mexico, Argentina, Colombia, Chile and Peru, provisions for taxing technical service fees work through varied mechanisms, from stand-alone provisions to extensions of the concept of royalties. Protocol 1 needs a common definition of services; without one, the meaning falls back on diverging domestic laws, as in most current treaties (only 22 of the 106 treaties which grant source taxing rights concluded by the countries studies define the terms).

How to allocate source taxing rights?

Two papers focus on Article 5(5) of Protocol 1, the ranking of tests that decides which State may tax a service fee. Both find the current wording ambiguous and propose clearer priority rules focused on the origin of payments. One proposes a solution that bridges the conflict over a gross and a net approach.

Radhakishan Rawal – **Article 5: Rule ordering issue** The ranking of source rules in Article 5(5) (place of performance, then the consumer's residence, then the payer's residence or deduction) is ambiguous in a multilateral context: it is unclear whether one or several States may tax, and the State whose tax base is eroded comes last. Negotiators must choose between one and several source States and decide how to share taxing rights, and the State where the payment is deducted could be given priority.

Philip Victor Makmot – **Article 5(5) and Its Effect on Service-Importing States, Tested Against Uganda's Treaty Network** The Article 5(5) ranking is the key allocation choice in Protocol 1: eleven court cases from Uganda, Tanzania and India show that a "place of performance" test costs service-importing countries revenue, and the draft text supports two readings with opposite results, leading to uncertainty. The sourcing rule should be amended to provide priority to the place of the consumer or payer.

Sol Picciotto / Faith Amaro – **Bridging The Gap: Towards a New Approach for International Tax in an Intangible Economy** The protocol negotiations remain stuck between a simple tax on gross payments and a complex net-income method. This tension could be resolved by a withholding tax calculated by multiplying the multinational group's operational profit margin and the domestic corporate tax rate (an estimated range of 1.25–17.5% at a 25% rate), with an option for MNEs to be taxed on a portion of their global profits based on employees, assets and sales.

Special and differential treatment

Frederik Heitmüller – **Mitigating distributional conflicts in the taxation of cross-border services through special & differential treatment** Preferential treatment for poorer countries could break the deadlock on Protocol 1 at little cost, because low- and lower-middle-income countries made up only 4.7% of in-scope services imports in 2024. Options include higher withholding rates, an opt-out from net-basis taxation, automatic treaty modification and access to protocol benefits before ratification, with countries graduating out as their income rises.

Relationship with existing treaties and trade agreements

Neima Mondlane – **Source Taxation of Cross-Border Services in a Resource Economy: Assessing the UN Draft Services Protocol from Mozambique's Perspective** Mozambique's nine tax treaties mostly require a permanent establishment in order to allow source taxation of service fees, so its 20% domestic withholding tax rarely reaches providers from treaty partners. The paper argues that these treaty constraints can limit Mozambique's ability to collect tax on cross-border services and recommends that Mozambique seek to give the Protocol precedence where its provisions conflict with existing bilateral tax treaties.

Tatiana Falcão / Bob Michel – **Trade Rules in the Tax Space: What Digital Economy Agreements Mean for the design of the Services Protocol** The tax provisions of digital economy agreements can constrain the design of Protocol 1, and it is doubtful whether trade agreements can legitimately restrict direct taxing rights. A broadly scoped services tax framed as a direct tax avoids most conflicts with the tax provisions of digital economy agreements, such as the Chile–New Zealand–Singapore partnership agreement and the Southeast Asian and African digital trade frameworks.

Revenue effects

Mona Barake / Amina Ebrahim – **Taxing cross-border services: Revenue effects of Protocol 1 of the United Nations Framework Convention** on International Tax Cooperation. The paper assesses the potential revenue implications of Protocol 1 using a newly constructed global dataset combining bilateral services trade, tax treaty provisions and domestic withholding taxes across more than 200 jurisdictions. It examines how alternative choices regarding the scope of services, country participation, interaction with existing tax treaties and double-taxation relief could affect the magnitude and distribution of tax revenues across countries. The analysis provides an empirical basis for assessing the implications of different design and implementation options under negotiation.

Dispute prevention and resolution (Protocol II)

Tax disputes and investor–State arbitration

Three papers (Lago, Michel, Coutinho) address the same question: how to keep tax disputes from being taken to investor–State arbitration under investment treaties. They converge on giving tax authorities a defined role in deciding tax questions through Protocol II, but differ on how far this can override existing investment treaties.

Josefina del Rosario Lago – **Tax-Related Investor-State Disputes: Empirical Lessons for the UN Framework Convention on International Tax Cooperation** Of 141 tax-related investor–State arbitration cases initiated between 2001 and 2025, investors won about 58% of those decided, two-thirds arose under treaties with a tax carve-out, and a tax-treaty mutual agreement procedure was potentially available in only about 12%. Protocol II should therefore define precisely who decides whether a measure is a tax measure, coordinate to prevent disputes, and make tax-specific mechanisms accessible. These findings highlight the limitations of existing treaty safeguards and suggest that strengthening tax-specific dispute resolution alone will not prevent tax-related ISDS. Protocol II therefore presents an opportunity to address the relationship between tax dispute resolution and investment arbitration.

Bob Michel – **Competent (tax) authorities deciding tax-related investment disputes? Options for a clause overriding investor–State arbitration under investment treaties in the Convention's dispute protocol** Mexico, the United Kingdom and the African Group support letting tax authorities filter investor claims, and existing treaties (such as the North American Free Trade Agreement, the Energy Charter Treaty and the 2025 UN Model) illustrate different models to achieve this as well as the limits treaty law places on overriding investment

treaties. Protocol II could adopt a filter by tax authorities with agreed criteria, Mexico's proposal to settle such disputes under the Protocol, or the UN Model approach of moving them out of investment arbitration unless both tax authorities agree.

Izadora Coutinho – **Preserving Investment Treaty Obligations while Limiting Recourse to Investor–State Arbitration? Article 21 and Protocol II of the UN Framework Convention** Joint determinations should be conclusive only on defined tax questions, while the arbitral tribunal still decides on treaty breach and compensation (see also under Article 21).

Access to mutual agreement procedures and advance pricing agreements

Susana Pinto – **Towards a Coherent Framework for International Tax Dispute Prevention and Resolution: Access, Capacity and Procedural Continuity under the UN Framework Convention** Effective access to mutual agreement procedures and advance pricing agreements under draft Protocol II requires common minimum procedural standards, adapted to differences in administrative capacity, complemented by operational guidance to facilitate the Protocol's implementation. Drawing on MAP and APA statistics and national approaches in Portugal, the United Kingdom, the United States, Australia, South Africa, Brazil, China and India points to closer links between dispute resolution and dispute prevention.

institute of development studies

ICTD is based at the Institute of Development Studies, Brighton BN1 9RE UK.

Tel: +44 (0)1273 606261
E-mail: info@ictd.ac
Web: ictd.ac
LinkedIn: ICTDTax
Facebook: fb.com/ICTDTax
Bluesky: @ictdtax.bsky.social
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