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Comments on the "Co-Leads' Zero Draft" on Workstream I as of 21 July 2026.

ABSTRACT

The Zero Draft is a clear step forward from the January 2026 template. Most importantly, it now contains the institutional architecture. Our recommendations aim at the central goal of the negotiations: developing and agreeing on a legitimate and durable institutional forum, signed by as many States as possible. We would suggest the following amendments:

1. Replace Articles 1 and 2 with a preamble.
2. The framework convention should include an inter-state dispute resolution mechanism for disputes over how protocols are applied and whether the convention's obligations are met, while disputes concerning individual taxpayers should be addressed in the second protocol – Article 9 should be amended accordingly.
3. Delete the substantive commitments on exchange of information (Articles 10 and 11) and incorporate the Multilateral Convention on Mutual Administrative Assistance in Tax Matters as a protocol to the framework convention.
4. Introduce a more nuanced decision-making process for the Conference of the States Parties, distinguishing procedural from substantive decisions.
5. Delete Article 20.
6. Retain the prohibition on reservations: the Convention should be understood as the lowest common denominator, and no reservations should be possible. This may, however, require amendments to some substantive provisions to accommodate the concerns of certain delegations.

Dear Mr. Nuer,

We appreciate the opportunity to comment on the "Co-Leads' Zero Draft" on Workstream I as of 21 July 2026. See also our earlier input on the previous drafts submitted in July 2025[1] and December 2025[2], as well as other prior contributions on the GLOBTAXGOV blog.[3]

1. General assessment

Our observations below start from one key premise. A framework convention adds value where it supplies what the existing order lacks. In tax matters, this means the main goal of the framework convention should be to achieve a legitimate, inclusive and durable forum in which standards can evolve. The framework convention should not repeat existing commitments that States have already made elsewhere, but rather incorporate them.

2. Structure: aspiration and obligation (Articles 1–2)

The goals of the Convention are spread across objectives, principles and substantive commitments. Since the beginning of the negotiations, we have highlighted that this structure

[1] Microsoft Word - Comments Hongler Mosquera Habich Workstream I .docx

[2] WS I - Hongler, Peter & Mosquera, Irma.pdf

[3] See by P. Hongler and I. Mosquera The UNFCITC and the Future of Mutual Administrative Assistance The UNFCITC and the Future of Mutual Administrative Assistance – GLOBTAXGOV https://globtaxgov.weblog.leidenuniv.nl/2026/02/05/the-unfcitc-and-the-future-of-mutual-administrative-assistance/. By P. Hongler Assessing the State of Play in the UN Framework Convention on International Tax Cooperation – GLOBTAXGOV https://globtaxgov.weblog.leidenuniv.nl/2026/01/31/assessing-the-state-of-play-in-the-un-framework-convention-on-international-tax-cooperation/ By P. Hongler and I. Mosquera Commitments Workstream I: A matter of a Preamble? – GLOBTAXGOV https://globtaxgov.weblog.leidenuniv.nl/2025/11/01/commitments-workstream-i-a-matter-of-a-preamble/ By I. Mosquera, UN Framework Tax Convention and Global Tax Governance: What changes are needed to enhance global tax governance? June 19,2024 available at https://globtaxgov.weblog.leidenuniv.nl/files/2024/06/Contribution-GLOBTAXGOV-Leiden-University-.pdf and https://globtaxgov.weblog.leidenuniv.nl/2025/03/26/the-legitimacy-of-the-un-negotiations-and-the-path-towards-inclusive-and-effective-international-tax-cooperation-are-we-getting-it-right/ By I. Mosquera The legitimacy of the UN Negotiations and the Path Towards Inclusive and Effective International Tax Cooperation. Are we getting it right? https://globtaxgov.weblog.leidenuniv.nl/2025/03/26/the-legitimacy-of-the-un-negotiations-and-the-path-towards-inclusive-and-effective-international-tax-cooperation-are-we-getting-it-right/. By P. Hongler, Getting the Priorities Right: The Central Role of Workstream I in the UN Framework Convention on International Tax Cooperation https://globtaxgov.weblog.leidenuniv.nl/2025/06/27/getting-the-priorities-right-the-central-role-of-workstream-i-in-the-un-framework-convention-on-international-tax-cooperation/.

derived from the UNFCCC does not really suit the tax world. We would suggest the following simplification:

We would move the objectives and principles into a preamble that sets out the Convention's guiding philosophy, and reserve the operative articles for concrete legal obligations. This would streamline the text and — more importantly — preserve the distinction between what the parties aspire to and what they are bound to do, which is central to any functioning framework. In our input submitted in December 2025[4] we presented a proposal for a preamble (also available here[5]). We are still of the opinion that this would significantly improve the stringency of the Convention.

The ambition should be to build a framework for cooperation, nothing more and nothing less.

3. Amend Article 9 to enable inter-state dispute settlement

We have always assumed that the framework convention needs an inter-state dispute resolution mechanism—and one that does not relate to individual taxpayers. Rather, disputes will arise over how protocols are applied and whether the requirements of the framework convention are being complied with. For this, a dispute resolution mechanism is needed. For classic disputes concerning individual taxpayers, the second protocol is the right place.

4. Substantive commitments in the field of mutual administrative assistance

Articles 10 and 11 largely mirror instruments that already exist — the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, the standards of the Global Forum on Transparency and Exchange of Information. This raises a straightforward question of functional duplication, voiced by several delegates in earlier rounds. If the Convention simply restates commitments already well established under Global Forum auspices, what added value does it bring? The likely effect is not more cooperation but more uncertainty, as overlapping obligations might lead to divergent interpretations.

The technical content of these provisions should move to protocols, where it can be elaborated precisely and refined over time. Where robust standards already exist, the Convention should incorporate them by reference rather than re-legislate them. **Our very concrete recommendation is the following: The Multilateral Convention on Mutual Administrative Assistance in Tax Matters could be brought within the Convention as a protocol and developed further by the Conference of the States Parties. The COP would then also be formally responsible for monitoring the implementation of mutual administrative assistance around the globe. It would supervise the work of the Global Forum.**

It would also preserve continuity with established standards while giving them the added legitimacy and universality of the UN framework — this reflects the goal of the framework convention and would be in line with the original motivation for launching the project.

[4] WS I - Hongler, Peter & Mosquera, Irma.pdf
[5] https://globtaxgov.weblog.leidenuniv.nl/2025/11/01/commitments-workstream-i-a-matter-of-a-preamble/

5. Conference of the States Parties to the Convention

What is missing from the current draft, and what was highlighted during the last round of negotiations by several delegates, is greater clarity regarding the voting process at the Conference of the Parties. The St.Gallen Draft[6] includes more nuanced provisions, with different quorum requirements depending on the nature of the decision—for example, distinguishing between procedural and substantive decisions. Such a provision could serve as a source of inspiration for addressing this gap in the current draft.

6. The protocol architecture as the engine of the Convention (Article 20)

Since the beginning, we have supported a protocol-based approach, as it enables a plurilateral structure in which the international tax regime can develop further among coalitions of the willing. A plurilateral approach of this kind—familiar from the practice of the World Trade Organization—allows the Convention to accommodate genuine disagreement on substance while still enabling progress. It lowers the stakes associated with each individual commitment, which in turn helps preserve broad participation in the framework itself.

However, for this approach to work, the protocols should not be understood as instruments intended "to implement or elaborate this Convention". The primary purpose of the framework convention is to provide a legitimate forum for international cooperation, while protocols are simply the outcome of negotiations conducted within that framework. They do not necessarily "implement" or "elaborate" the framework convention. For this reason, we do not see a specific need for Article 20.

7. Reservations and universality (Article 25)

Article 25 does not permit reservations. Contrary to the position expressed by many delegations during the last round of negotiations, we support this approach. The Convention should be understood as the lowest common denominator, and no reservations should be possible. However, this may require amendments to some of the substantive provisions in order to accommodate the concerns of certain delegations.

8. Conclusion

The Zero Draft is a real step forward, and its new institutional provisions close the most serious gap. Negotiators should focus on developing a durable institutional forum and enabling the international tax regime to develop through protocols. Delegates should resist the pressure to turn every political commitment into a substantive obligation.

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[6] https://globtaxgov.weblog.leidenuniv.nl/wp-content/uploads/2025/06/Final-draft.pdf

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We would like to thank you for the opportunity to provide our feedback on the Zero Draft and we hope that successful negotiations lead to a global consensus and that international tax cooperation can help societies to prosper.

Kind regards

Peter Hongler

Irma Mosquera