

## **Selection of Membership of UN Tax Committee – Frequently Asked Questions**

### **Background**

By [Note Verbale DESA-20/02431](#) of 16 December 2020, the Secretary-General invited the Governments of the Permanent Representatives of Member States and the Permanent Observers of Non-member States to the United Nations to nominate experts for the next four-year term of the United Nations Committee of Experts on International Cooperation in Tax Matters (“the Committee”).

The Committee comprises twenty-five members nominated by Governments and acting in their expert capacity, drawn from the fields of tax policy and tax administration and who are to be selected to reflect an adequate equitable geographical distribution, representing different tax systems. The members are appointed by the Secretary-General, after notification is given to the Economic and Social Council. The term of office is four years, starting on 1 July 2021 and ending on 30 June 2025.

In considering and preparing nominations, delegations may have questions for the Secretariat regarding the Committee, its term, its mode of operation and the nomination process itself, such as eligibility for selection and the selection criteria to be used.

### **1. What is the Committee’s mandate?**

The Committee generates practical guidance for governments, tax administrators and taxpayers to help strengthen tax systems, with a view to mobilize financing for sustainable development. According to [ECOSOC resolution 2004/69](#), the Committee of Experts on International Cooperation in Tax Matters is responsible for keeping under review and updating, as necessary, the [United Nations Model Double Taxation Convention between Developed and Developing Countries](#) and the [Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries](#).

Through its work, the Committee aims to prevent “double (or multiple) taxation” and “non-taxation” and assists countries to broaden their tax base, strengthen their tax administrations and to curb international tax evasion and avoidance. With a view to enhancing and promoting international tax cooperation among national tax authorities, the Committee identifies and works on new and emerging international tax issues, such as taxation of the digital economy, dispute avoidance and resolution, and environmental taxation. It is also responsible for making recommendations on capacity-building activities supporting tax administrations in developing countries. In all of its work, the Committee gives special focus to least developed countries and others in special situations, including small island states and landlocked countries. The

Committee's guidance is authoritative and influential, but it remains guidance and is not in any sense binding on Member States. Where views differ on key issues, the different views tend to be noted.

## **2. What are examples of guidance that the Committee has published?**

The Committee has previously published the [United Nations Model Double Taxation Convention between Developed and Developing Countries](#), the [Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries](#), the [United Nations Practical Manual on Transfer Pricing for Developing Countries](#) as well as the [United Nations Handbook on Selected Issues for Taxation of the Extractive Industries by Developing Countries](#).

The Committee intends to publish updates to all of the aforementioned publications. It will also issue two new publications: a Handbook on Avoidance and Resolution of Tax Disputes and a Handbook on Carbon Taxation, both in time or shortly after the last session of the current membership in April 2021.

## **3. Where does the Committee fit in the UN system?**

The Committee is a subsidiary body of the UN Economic and Social Council, distinguished and globally recognized for its work in norm- and policy-shaping and for the practical guidance provided in the area of international tax cooperation. While its membership reflects equitable geographical distribution and different tax systems, the Committee is not an intergovernmental body. The members are chosen for their expertise in tax matters and (while nominated by governments) serve in their personal capacity.

## **4. What is the Committees' relationship with the UN Economic and Social Council?**

The UN Economic and Social Council (ECOSOC) is one of the six principal organs of the United Nations and as such responsible for coordinating the economic and social work of the organization. The UN Tax Committee is an expert, subsidiary body of ECOSOC.

The relationship of ECOSOC with the UN Tax Committee is manifold; it is notified of the Committee's nominees and the members of the Committee participate in the annual ECOSOC Special Meeting on International Cooperation in Tax Matters, which is usually held back-to-back with the April / May session of the Committee.

While the Special Meeting often highlights the guidance that the Committee is producing, ECOSOC generally does not formally endorse or adopt such guidance. A notable exception is the [United Nations Code of Conduct on Cooperation in Combating International Tax Evasion](#), which was produced by the Committee and endorsed by [ECOSOC resolution 2017/3](#).

## **5. How are the seats of the Committee distributed, i.e. how many per continent/region?**

There is no preset number for geographical representation in this expert body, where members serve in their personal capacity. Yet, the selection process pays particular attention to equitable representation, among other considerations, in line with [ECOSOC resolution 2004/69](#), which reads in part “... [the Committee Members] are to be selected to reflect an adequate equitable geographical distribution, representing different tax systems...”

Geographic representation in the [current Committee membership](#) is as follows, with 16 members from developing countries and 9 members from developed countries:

**Africa:** 6 Committee members, nominated by Djibouti; Ghana; Kenya; Liberia; Nigeria; Zambia

**Asia and the Pacific:** 5 Committee members, nominated by China; India; Singapore; Thailand; Vietnam

**Latin America and the Caribbean:** 5 Committee members, nominated by Argentina; Brazil; Colombia; Ecuador; Jamaica

**Western Europe and Others:** 7 Committee members, nominated by Germany; Netherlands; Sweden; Switzerland; Canada; Japan; New Zealand

**Eastern Europe:** 2 Committee members, nominated by Poland; Russia

It should be noted that once nominated to serve as a member in the Committee, experts serve in their personal capacity. For example, those nominated and chosen as government officials would remain as members, if they wished, if they left the government. It follows that, if a member resigned from the Committee, it cannot be assumed that the replacement member will be from the same country.

#### ***6. What is the distribution between developed and developing countries?***

There is no fixed ratio. In the past, there have usually been approximately 15-16 developing country members and 9-10 developed country members. As noted above, the current distribution is 16:9.

#### ***7. Who can be nominated by Member States and Permanent Observers, i.e. do candidates have to be employed by the government? How many candidates can be nominated?***

Member States and Permanent Observers may nominate experts in the field of taxation, regardless of their employment status or nationality. Nominations of current officials who have an overview of both domestic and international tax policy issues would be particularly welcome. For previous memberships, Member States and Observers have chosen to nominate a wide range of candidates from different branches of government, including the Ministry of Finance or Revenue Authority (some of them retired), as well as from academia. It is the practice for each Member State and Permanent Observer to nominate only one candidate. There is also the possibility for several Member States to cooperate to nominate one candidate.

All nominations have to be presented through the diplomatic channel, i.e. the Permanent Mission of Member States / Observers to the UN. Applications presented by individuals cannot be taken into account. While members are presented through diplomatic channels, they serve in their own capacity.

***8. What kind of expertise is expected of the nominees for the Committee?***

The early work of the Committee focused primarily on double taxation treaties – particularly the United Nations Model Double Taxation Convention between Developed and Developing Countries. The Committee’s work has broadened over time. While double tax treaties remain a key focus, the work now includes a wide range of areas, such as transfer pricing, avoiding and resolving tax disputes, taxation of the extractive industries, environmental taxation, value-added taxes and other issues of tax and domestic resource mobilization for achieving the Sustainable Development Goals. Nominees for the Committee should ideally be an expert in one or more of the aforementioned focus areas. Nominations of current officials who have an overview of both domestic and international tax policy issues would be particularly welcome.

***9. What are the criteria used for evaluating and selecting candidates for the Committee?***

Committee members shall be appointed by the Secretary-General, after notification of the Economic and Social Council (ECOSOC does not deliberate on the choices). The expert knowledge of the nominees and their past and present contributions to the fields of tax policy (both international and domestic) and administration are evaluated, while allowing for young(er) talent to influence international tax policy. The membership of the Committee is also sought to be representative of the UN’s membership, giving appropriate weight to the different geographical regions and tax systems, though there are no fixed numbers for different regions / contexts. The nomination of women candidates is strongly encouraged in light of the UN’s efforts to achieve gender equity.

***10. Is it possible for Member States and Permanent Observers to nominate former or current members of the Committee for a further term?***

Yes, it is possible to nominate former or current members of the Committee for an additional term. All such nominees will be open to consideration. In selecting members of the Committee, the goal is to strike a balance between the need for continuity while allowing for new perspectives, i.e. to provide for some experienced members serving a further term but also allowing and those from other backgrounds and with fresh voices to serve on the Committee. This balance is not pre-determined, and will depend on the final make-up of nominations and the Secretary-General’s consideration of them.

***11. At the country level, which institution is responsible for nominating a candidate?***

The nominations must be brought forward through diplomatic channels, i.e. by the Permanent Mission of Member States / Observers to the UN. Given the expertise that is sought, Permanent Missions are encouraged to liaise with the Ministries in charge of (international) tax topics; while

these will vary from country to country, they will likely include the Ministry of Finance and / or the Revenue Agency. Only one nomination should be made by a government.

## ***12. How is the work of the Committee organized?***

The Committee has two four-day sessions per year, typically one in April / May at the United Nations in New York City (USA) and one in September / October at the United Nations in Geneva (Switzerland). Meetings of Subcommittees have taken place in person in different regions, hosted by different countries and organizations. Due to the Covid-19 pandemic, the Committee sessions and all Subcommittee and other Committee-related meetings have been held virtually, on a slightly modified timeline.

During the sessions, especially at the first (Geneva) session of a new membership, the Committee discusses and takes decisions on its work plan, focus areas and work products – usually in the form of guidance documents / practical manuals. In the months between sessions, the substantive work is undertaken by Subcommittees – acting under the guidance of the Committee and its Members. In conducting its substantive work, the Committee is following its [“Practices and Working Methods”](#) modeled on those of ECOSOC. As can be seen from the document, when members disagree on technical matters, there is a certain prescribed way to ensure that all sides are making their perspectives known.

The Subcommittees are founded at the outset of each new Committee membership. They are generally led by Committee members, often in conjunction with an additional expert who is not a Committee member. Many Subcommittees are multi-stakeholder and multi-disciplinary. Experts in the respective field of the Subcommittees from government, private sector, academia and international governmental and non-governmental organizations are invited to participate in the work of the Subcommittees on a case-by-case basis.

Depending on the workplan of a given Subcommittee, it may have up to two meetings a year, for two to three days each. Subcommittees often form smaller groups that engage in drafting between their meetings.

It is planned to hold an informal (virtual) one-day meeting of the incoming membership with the outgoing members of the Committee in summer 2021. This will allow outgoing members to share ideas about important topics for the Committee to work on and incoming members to ask questions they may have, for example on working methods.

## ***13. How many Subcommittees are there and what areas of international taxation are they working on?***

Under the current membership, there have been [nine Subcommittees](#), initiated at the first meeting of the current membership of the Committee. They work on i) transfer pricing, ii) dispute avoidance and resolution, iii) environmental taxation issues, iv) extractive industries taxation, v) practices and procedures, i.e. how the work of the Committee is structured / communicated, vi) tax challenges related to the digitalization of the economy, vii) tax treaty negotiation, viii) the tax treatment of government-to-government aid, and ix) the UN Model Tax Convention between

Developed and Developing Countries. There is also an Advisory Group on Capacity Development and a focus group on Tax and the Sustainable Development Goals.

The current Subcommittees will cease to exist at the end of the current membership of the Committee, i.e. on 30 June 2021. The new membership of the Committee will decide on its focus areas and work plan for 2021-2025, creating related Subcommittees and drafting Subcommittee mandates to guide their work. It is expected that a similar number of Subcommittees will be formed at the first session of the next membership of the Committee (at its 23<sup>rd</sup> Session) in late 2021.

***14. How much time are members of the Committee expected to dedicate to Committee work?***

Committee members are expected to participate in the biannual sessions of the Committee (in New York in April / May and Geneva in September / October of each year). They are expected to block time both to participate in and prepare for these sessions, with the documentation circulated in advance (e.g. conference room papers/draft chapters of guidance material and notes from Coordinators of Subcommittees). Members are also expected to participate in the annual ECOSOC Special Meeting on International Cooperation in Tax Matters, usually held back-to-back with the April/May session.

In the past, members were generally engaged in a minimum of three Subcommittees. The amount of time Committee members dedicate to the work of their respective Subcommittees will be upon their discretion and will vary between members and over time. Yet, all Members are expected to actively engage in work taking place at Subcommittees level. Subcommittees meet (currently virtually) up to two times a year to advance their work and often form smaller groups that engage in drafting between Subcommittee meetings.

***15. Will Committee members be compensated for the time they spent on Committee work? Is there funding available for members traveling to the Committee and Subcommittee meetings?***

Committee members are not compensated for the time they spend on Committee work. However, the travel of Committee members is funded by the UN, covering their transportation to the biannual sessions and a daily subsistence allowance at UN rates to cover accommodation and living expenses.

There is currently no budgetary provision for travel to Subcommittee meetings, but recently extrabudgetary funds were available to cover travel and subsistence costs of developing country members, which we hope will continue. The extrabudgetary contributions respond to the call in the Addis Ababa Action Agenda for Member States to support the Committee and its subsidiary bodies through voluntary contributions to the [Trust Fund for International Cooperation in Tax Matters](#). Norway and India have generously contributed to the Trust Fund and the European Commission has also assisted through in-kind contributions.

***16. What happens if a nominee is selected by the Secretary-General and later leaves their (government or other) position during their membership term, such as joining the private sector?***

Historically, members have often remained part of the Committee even after they had left a governmental position that they held when they were nominated, continuing to serve as before in their personal capacity. If members resign their membership, the Secretary-General will choose a new member for the remaining duration of the term. Frequent practice in the past has been to allow the country that nominated the retiring member to put forward a fresh nominee, and for the Secretary-General to choose between that person and other (still available) nominees from the initial selection process. There is no guarantee that the replacement will come from the same country as the retiring member.

***17. How has the Committee adapted to the Covid-19 pandemic?***

In light of the global pandemic, the Committee and Subcommittee meetings after February 2020 have been conducted virtually and did not require travel funding by the UN. The Committee and its Subcommittees, with the help of the Secretariat, continued to work on the open workstreams and is on track to conclude its ambitious 2017-2021 work program at its session to be held in April 2021. The UN continues to monitor the situation and will announce in due course whether particular meetings will take place virtually or in person. The 22<sup>nd</sup> session in April 2021 will take place virtually.

***18. When will the decision on the new membership be announced?***

The new members of the Committee are likely be announced in April or May 2021. ECOSOC will first be notified of the choice. Successful candidates will be informed in writing prior to the announcement and asked to sign letters of appointment.