



**Technical Meeting on “Tax Treaty Administration and Negotiation”
New York, 30-31 May 2013**

Terms of Reference for Participation

1. Background Information

Tax treaties play a key role in the context of international cooperation in tax matters. On the one hand, they encourage international investment and, consequently, global economic growth, by reducing or eliminating international double taxation over cross-border income. On the other hand, they enhance cooperation among tax administrations, especially in tackling international tax evasion.

Developing countries, and particularly the least developed ones, generally lack adequate skills and experience to efficiently negotiate, interpret and administer tax treaties. This may result in difficult, time-consuming and, in the worst case scenario, unsuccessful negotiation and application of tax treaties. Moreover, existing skills gaps may jeopardize developing countries’ capacity to be effective treaty partners, especially as it relates to cooperation in combating international tax evasion. Capacity building initiatives targeting strengthening skills of developing countries in the above area will contribute to further developing their role in supporting the global efforts aimed at improving the investment climate and effectively curbing international tax evasion.

The Financing for Development Office (FfDO) of UN-DESA and the International Tax Compact (ITC) are working on a joint project aimed at strengthening the capacity of Ministries of Finance (MoFs), National Tax Authorities (NTAs) or other relevant authorities in developing countries to effectively identify and assess their needs in the area of tax treaty negotiation and administration. The ultimate goal of this project is to support the development of a comprehensive set of capacity building tools to be used in developing countries, which are demand driven, reflect adequately needs and level of development of these countries, and are not a duplication of any existing and available tools, but rather a useful complement to them.

To this end, FfDO and ITC jointly organized two simultaneous group meetings (Rome, Italy, 28-29 January 2013) with a view to launching and advancing the relevant work programme for the purposes of the above-mentioned project. The meetings, which were attended by 25 national participants, contributed to: (1) identifying the needs of developing countries in the area of tax treaty negotiation and administration and taking stock of the available capacity development tools at the disposal of developing countries; and (2) determining the actual skills gaps and challenges faced by developing countries in negotiating and administering their tax treaties. A report of the meeting (available at <http://www.un.org/esa/ffd/tax/2013CBTTNA/Summary.pdf>) summarizes the main findings and details priority areas for the purposes of developing relevant capacity building activities and tools to address these issues. In follow-up to the Rome meetings, several experts were asked to develop a series of practical papers, addressing the specific issues in administration and negotiation of tax treaties identified during those meetings.

2. Technical Meeting

2.1 Objective

The purpose of the meeting is to present, discuss and review a first draft of the above-mentioned papers on selected issues in administration and negotiation of tax treaties. These papers are to address the actual skills gaps and challenges faced by developing countries in administering and negotiating their tax treaties, which were identified during the aforesaid meetings held in Rome, Italy, on 28-29 January 2013. The full list of papers and authors is posted on the meeting webpage, (accessible at <http://www.un.org/esa/ffd/tax/2013TMTTAN/index.htm>). As soon as available, the draft papers will be posted on the same webpage. This webpage will be regularly updated and serves as the main portal to provide timely information about the meeting to all the participants.

2.2 Modalities

Eight world-renowned experts, who have been authoring the papers on selected issues in administration and negotiation of tax treaties, will present their papers for discussion at the meeting. Several other experts, including members of the UN Committee of Experts on International Cooperation in Tax Matters, will be invited to chair the meeting sessions and facilitate the discussions. Moreover, up to 35 representatives from NTAs, MoFs or other relevant authorities in developing countries in all the different regions of the world will be invited to participate in and contribute to the meeting discussions. Several country representatives will serve as lead discussants of the papers on administration and negotiation of tax treaties and all participants will be expected to take active part in interactive discussions of these papers.

2.3 Participants' contribution

Depending on the respective roles in each session of the meeting, attending country representatives and other experts will be expected to actively participate in and contribute to the meeting's work, as follows.

Chairs:

- Facilitate an interactive and effective discussion of the paper(s) on administration or negotiation of tax treaties, which is/are up for consideration during the session(s) respectively assigned to them.

Papers' Authors/Presenters:

- Give a presentation (15 to 18 minutes) providing an overview of the main aspects dealt with in their respective papers on administration or negotiation of tax treaties (Powerpoint slides are required as a visual aid for each presentation);
- Participate in an interactive discussion of their respective papers on administration or negotiation of tax treaties with all the other meeting participants.

Lead Discussants:

- Give a short presentation (5 to 7 minutes) providing comments on the paper(s) which is/are respectively assigned to them, with a view to ensuring that such paper(s) adequately reflect(s) positions, priority areas and interest of developing countries and address(es) the main issues for these countries (the use of Powerpoint slides during the presentation is strongly encouraged);
- Lead the interactive group discussion on such paper(s).

All Participants:

- Actively participate in interactive discussions of all the papers on administration and negotiation of tax treaties presented during the meeting.