
*Comments from the Netherlands on the 24 October 2025 draft of the Co Lead
Draft Framework Convention*

Abstract

This written submission contains the comments from the Kingdom of the Netherlands on the 24 October 2025 draft of the Co Lead 's Draft Framework Convention for the Intergovernmental Negotiating Committee on the United Nations Framework Convention on International Tax Cooperation. In the general section we thank the co-leads of the workstreams and the secretariat for the work done to facilitate the discussions and for publishing a Draft Framework Convention and include some general remarks. In the paragraphs following the general section, we have some specific and concrete suggestions regarding the text of the Draft Framework Convention.

General remarks

We thank the co-lead and the secretariat for publishing and the opportunity to comment on the 24 October 2025 Co Lead 's Draft Framework Convention. Textual proposals facilitated a constructive discussion during the third substantive session of the Intergovernmental Negotiating Committee in Nairobi.

We would like to take this opportunity to reiterate that the Kingdom of the Netherlands supports any effort to enforce inclusive, effective and sustainable international tax cooperation. We are dedicated to contributing to the work of the Intergovernmental Negotiating Committee and above all, to ensuring that this important work results in broadly supported and effective outcomes. To achieve this, it is important to adhere to the agreed optional character of the protocols as included in the Terms of Reference. In our view, it is not up to the discretion of the protocols and the Conference of the Parties to decide how signatories to the Framework Convention should fulfil the commitments included in the Framework Convention.

Additionally, the Netherlands supports and applauds the emerging consensus that the commitments in the framework convention should be kept at a high-level. To safeguard broadly supported and effective outcomes and given the wide range of views, we would urge raising the current proposed language in the draft to a higher level, avoiding specific policy proposals. We can get back to formulating specific policy proposals when discussing the protocols.

Furthermore, we welcome extra caution when we formulate commitments touching upon work of other existing and relevant forums such as the Global Forum on Transparency and Exchange of Information for Tax Purposes and for the Forum on Harmful Tax Practices. Naturally, it is important to avoid undermining and/or duplicating international work that is already well advanced, and as such, in our view, we need to carefully weigh where the framework convention could be of added value and could address issues currently unsolved.

Committed to work constructively together to achieve a broadly supported UN Framework Convention on international tax cooperation, we would like to submit the following specific remarks and suggestions which contribute to achieve high level commitments.

Remarks per provision

Art. 4

In par. 1 we suggest replacing "agree" with "endeavor" and deleting "markets are located and revenues are generated,". "Conducting business activities" and "value is created" already overlap and adding both "markets are located" and "revenues are generated" multiplies criteria without any hierarchy. Furthermore, member states do, for allocation purposes, not agree on these nexuses from a demand perspective and including them would make broad membership support difficult. We also refer to the request of many member states in Nairobi to add residency as nexus and to clarify that this convention does not create or allocate taxing rights or prescribes to eliminate double taxation derogating from other agreements and domestic domestic law.

In the last part of the sentence following the last comma, we suggest replacing “have” with “has”.

Art. 5

We suggest to move par. 3 to the first paragraph.

In par. 1 we suggest replacing “agree” with “endeavor” and to delete the wording as from “including through expanding” as this language is too specific to be included in a high level commitment. This would be better placed in a protocol to the Framework Convention and requires careful consideration of available existing effective mechanisms and how these efforts can complement those existing instruments.

In par. 2 we find that the commitment is too specific and at the same time it is not clear what exactly is envisaged. Are we referencing the existing MDR, or are we committing to set up an additional mechanism? To avoid complex duplications, we would suggest to clarify the intentions and to include a reference to existing mechanisms developed at e.g. the Global Forum.

Art. 6

In order to achieve effective mutual administrative assistance in tax matters, a high-level commitment for effective assistance as worded in the terms of reference would in our opinion be suitable and sufficient for the framework convention itself. When formulating specific policy proposals in a protocol at a later stage, careful consideration needs to be given when cutting across existing and future work. This would allow to benefit from existing achievements and to take into account future developments of the standards developed in other forums.

Art. 7

In general we support the aim of the article, but clarifications are necessary. We need a clear definition of tax related IFFs (that clarifies how the commitment on IFFs is different from combating tax evasion/avoidance) and in our opinion the more specific measures mentioned in sub a and b are premature. We first need a clear understanding (through thorough analysis) of what is lacking in combating tax related IFFs – where existing initiatives are insufficient - before moving on to specific tools and policy proposals.

We suggest deleting sub a and b and to introduce a definition of tax related IFFs.

Art. 8

In par. 1 we suggest deleting the reference to “income derived by multinational enterprises that can shift assets and income across borders”. We increasingly see a need to focus on regimes relating to personal income taxation as well. Several delegates suggested during the INC Plenary in November par. 1 is preamble wording. Wherever it lands, we would suggest leaving it more open and cross out the reference to business income.

In par. 2 we find the reference to “tax incentives” too general. There are also tax incentives that are effective, efficient and serve a legitimate purpose. We therefore suggest to refer to “ring fenced” tax incentives in the first sentence instead. Furthermore we would welcome a source / evidence on the inefficiency of tax incentives. In the last sentence clarification is needed on the distinction between “profit-based” and “performance based” regimes.

In par. 3 we suggest deleting sub a and b as these measures seem too specific for in the framework itself.

Art. 9

We suggest deleting “Taking into account their different capacities”, as we believe all member states should be treated equally in their commitments. This commitment could also benefit from following the Terms of Reference.