THEMATIC BRIEF 1

THE CONVENTION AND ITS PROTOCOLS: GOVERNANCE, SUBSTANCE AND STRUCTURE

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WHY THE LEGAL STRUCTURE OF THE CONVENTION MATTERS FOR LABOUR

The UN Framework Convention on International Tax Cooperation will shape how international tax rules are set and revised for years to come. As a framework convention, it will establish the legal and institutional foundation for global cooperation, setting out principles, governance arrangements and decision-making procedures. Detailed tax rules will be developed through separate protocols. **The way this structure is designed will decide who participates, how decisions are made, and whether fair tax rules can be enforced.**

The Convention will:

- **Create new international governance bodies**—including a Conference of the Parties (COP), secretariat, and technical bodies - to shape how tax rules are negotiated, adopted, and implemented.
- **Set the rules for adopting protocols**—where detailed tax policies will be developed and where the risks of fragmentation, loopholes, and inequality are greatest.
- **Require critical institutional design choices**—such as ratification thresholds, opt-in rules for protocols, and the structure of the secretariat - that will determine how inclusive and effective the Convention really is.

Poorly designed governance rules could undermine the Convention's effectiveness, delaying progress, enabling powerful states to dominate decision-making, and excluding the voices of countries in the Global South and civil society. Labour should push for inclusive, transparent structures that ensure broad participation, strong implementation, and meaningful accountability.

WHERE THE DRAFT CONVENTION STANDS– AGREED ELEMENTS AND OPEN QUESTIONS

What has been agreed so far gives the Convention its basic shape, but the most important details are still unresolved. For more detail on country groupings and voting patterns, unions can see the mapping note on voting dynamics.

STRUCTURAL ELEMENTS:

- The Convention will create a Conference of the Parties (COP), a secretariat and subsidi-ary bodies, and be paired with two fast-tracked protocols: (i) taxing cross-border services and (ii) prevention & resolution of tax disputes. *See the series of briefs for more details on each protocol.*
- States can join each protocol on an opt-in basis (either when they ratify the Convention or later); detailed procedures for adopting and amending protocols still have to be written.
- Voting rules for negotiations and COP governance are already fixed: simple majority for institutional matters and the Convention text; two-thirds majority for adopting protocols.

NEGOTIATION STAGES

The Convention and protocols are being drafted in parallel. The sequence agreed by the negotiating committee is:

COMMITMENTS FIRST

BY END-2025

Core political choices defining the Convention (fait allocation of taxing rights, effective dispute prevention/resolution, and sustainable development)

DEPENDENT ARTICLES NEXT

2026

Capacity-building and technical-assistance provisions are drafted

GENERAL PROCEDURAL PROVISIONS LAST

LATE-2025

Procedural treaty clauses (COP voting details, secretariat mandate, observer access, compliance & review) are set

OPEN QUESTIONS AND ISSUES THAT REMAIN WIDE OPEN

- **Entry-into-force formula:** ratification threshold and whether economic-weight criteria will be added.
- **Protocol architecture:** whether countries must actively opt in to each protocol or are covered by default unless they opt out, and whether any baseline obligations will bind all Parties.

- **Secretariat design:** location, independence, staffing and resourcing.
- **Stakeholder participation:** formal roles for civil society and trade unions in negotiation, implementation and review.
- **Compliance and accountability:** whether the Convention will include peer review, public reporting or other enforcement tools.
- **Sequencing risk:** Deferring the general procedural provisions (see section 2.2) to 2026 shortens negotiation time and, under end-game pressure, could result in strong provisions being watered down.

INSTITUTIONAL DESIGN CHOICES THAT WILL SHAPE THE CONVENTION'S IMPACT AND LEGITIMACY

RATIFICATION THRESHOLDS AND ENTRY INTO FORCE

What they are: Entry-into-force provisions specify how many countries must ratify the Convention before it becomes internationally legally binding. They determine when the treaty becomes operational, and who gets to shape it early on.

▶ **Comparative examples:** UN conventions vary widely. The Convention on the Rights of the Child required just 20 ratifications and entered into force quickly after 30 days. The UN Framework Convention on Climate Change (UNFCCC) required 50 ratifications and a 90-day delay. The 2015 Paris Agreement introduced a dual threshold, 55 countries representing 55% of global emissions, balancing legitimacy with momentum.

What it means for the tax convention: These provisions will determine how quickly the Convention becomes operational and how inclusive it is from the start. High thresholds could delay entry or prevent it altogether. Too low, and the Convention may lack legitimacy or exclude major players. A moderate approach—like the Paris Agreement's dual threshold based on both country count and economic weight—could suit tax, ensuring early action while reflecting global relevance.

Ratification makes the Convention legally binding for each Party. Yet, system-wide legitimacy and impact will depend on the entry-into-force formula still to be agreed. The influence of the Convention and its protocols ultimately hinge on which countries join and whether they treat the UN Convention as the central forum for tax cooperation. If large economies delay or decline to ratify, it could fragment global governance. For labour, the priority is to press for entry-into-force thresholds that are fair to developing countries, which may need to move quickly for domestic resource mobilisation, while reserving the right to assess the final outcome before supporting ratification. Draft entry-into-force language will be tabled only after the commitments text stabilises, likely in early 2026.

PROTOCOL OPT-INS AND RESERVATIONS

What they are: Protocols are legal instruments developed under the Convention to set out detailed tax cooperation rules. States may choose to opt in to individual protocols—either when they join the Convention or later—creating flexibility for differentiated commitments. However, this structure can lead to uneven uptake and variable standards.

- **Comparative lessons:** The UNFCCC provides a mixed legacy. Its main framework established a broad architecture, while its protocols—the Kyoto Protocol and the Paris Agreement—set specific commitments. The Kyoto Protocol applied binding targets only to industrialised countries, leading to limited participation and major withdrawals. The Paris Agreement was more inclusive but relied on voluntary pledges, resulting in fragmented ambition and implementation.

What it means for the tax convention: Even after the Convention enters into force, its protocols will shape the substance of tax cooperation. Optional participation risks a patchwork of obligations—especially if powerful countries opt out. Labour should push for protocol design that maximises inclusiveness, sets meaningful standards, and avoids loopholes.

A related issue is **reservations**—statements that allow countries to exclude or modify the legal effect of certain treaty provisions. Some conventions (like the UNFCCC) prohibit reservations to ensure uniformity. While this can support coherence, it may also discourage ratification by states wary of specific commitments. In tax, where political and legal contexts vary widely, balancing coherence and flexibility will be critical.

SECRETARIAT STRUCTURE AND POWERS

What it is: The secretariat is the permanent institutional body that will support the work of the UN Tax Convention and its protocols. It will organise meetings, coordinate reporting and support implementation. Its design—where it is hosted, how it is staffed, and how independent it is—will determine how effectively and inclusively the Convention operates.

- **Comparative examples:** The UNFCCC Secretariat, based in Bonn, supports COP meetings, provides technical assistance, and plays a strong facilitative role. It is institutionally linked to the UN but operates with administrative and financial autonomy, with over 400 staff from 100+ countries. By contrast, the Convention on Biological Diversity (CBD) Secretariat is hosted by UNEP, and smaller treaties often share secretariats (e.g., the Basel, Rotterdam, and Stockholm Conventions). Secretariats do not set the agenda but often influence it through background papers and technical advice.

What it means for the tax convention: A credible, well-resourced secretariat is essential to ensure the Convention delivers for all countries—not just the most powerful. Its staff must include experts from a diverse range of tax jurisdictions, and it should be empowered to support capacity-building and coordination across protocols. The structure should avoid capture by narrow interests, and ensure sustained input from developing countries and non-state actors. Strong technical support, transparency, and inclusive participation will depend heavily on how the secretariat is designed and resourced.

A way to ensure continuity and sustained political attention beyond the initial protocols could be the creation, over the longer term, of a dedicated UN body for tax cooperation, modelled on specialised agencies such as the ILO or UN Women, to provide technical capacity, coherence and visibility while remaining accountable to the COP.

CIVIL SOCIETY AND STAKEHOLDER PARTICIPATION

What it is: Participation by non-state actors—such as trade unions, civil society groups, and academia—is a key element of convention governance. This includes access to negotiations, the ability to make submissions or interventions, and roles in review or reporting processes.

- **Comparative examples:** The UNFCCC sets the benchmark for transparency and access, with thousands of NGOs and IGOs attending as accredited observers. They can participate in plenaries, submit statements, and access negotiation documents. In contrast, the UN Convention against Corruption (UNCAC) began with more limited access but gradually expanded participation following sustained advocacy. Observer status is now granted, though some sensitive sessions remain closed.

What it means for the tax convention: Tax has traditionally been a closed-door policy space. Ensuring formal mechanisms for observer status and stakeholder input—such as written submissions and roles in review processes—can help shift the culture towards transparency and public accountability. Including unions and civil society in governance discussions is essential to counterbalance corporate influence and protect the public interest.

REVIEW MECHANISMS AND ACCOUNTABILITY

What they are: Review mechanisms assess how well states implement their obligations. They can take the form of expert panels, peer reviews, or compliance committees, and often involve regular reporting and public evaluations to encourage transparency and follow-through.

- **Comparative examples:** Human rights treaties like the Convention on the Rights of the Child (CRC) rely on expert committees to review country reports and issue public findings, often informed by civil society input. Environmental treaties, including the Kyoto Protocol, have compliance bodies with varying powers—from facilitative support to formal enforcement. The UN Convention against Corruption uses a peer review process where executive summaries are now published, helping raise transparency and trust.

What it means for the tax convention: Regular reporting and review processes can shine a light on whether countries are taking meaningful action to curb tax avoidance, close loopholes, improve information exchange, and support international cooperation. They help assess country progress and provide civil society with tools to demand accountability and monitor implementation.

PRINCIPLES AND RED LINES TO GUIDE THE LABOUR MOVEMENT

PRINCIPLE	RED LINE
Governance safeguards discussed early: Push for COP voting rules, secretariat powers and formal observer rights to be addressed in parallel with the substantive commitments, to avoid last-minute and rushed negotiations.	Reject any attempt to postpone governance decisions until the end of the process, when deadline pressure could allow a few states to weaken provisions.
Entry into force with broad participation: Support a ratification threshold that avoids delays while ensuring diverse regional and economic representation. Linking ratification to continued access to tax treaty benefits could also provide an incentive for broad participation.	Reject thresholds that are so high they stall entry into force, or that disadvantage developing countries which may need to move quickly for revenue reasons.
An autonomous, inclusive and well-resourced secretariat: Call for a secretariat with its own staff and diverse expertise in tax matters. It should be administratively independent but accountable to the Conference of the Parties (COP). Predictable funding is critical, as shaky UN financial resources in 2025 are projected to fall 30% from their 2023 peak.	Reject governance arrangements that leave the secretariat dependent on voluntary or politicised funding, or without the autonomy needed to serve all Parties fairly.
Formal mechanisms for trade union and civil society input: Demand explicit provisions for observer status, participation in COP meetings, and structured channels for unions to submit input and access information. Follow UNFCCC and UNCAC models, avoiding closed processes that limit scrutiny.	Reject closed or opaque processes that exclude unions and civil society, or that privilege corporate access.
A public, expert-led review mechanism: Support the creation of an independent body or peer review process under the COP to assess country implementation. Ensure reports and findings are public, and allow unions to contribute evidence and monitor national progress on tackling avoidance, improving cooperation, and funding public services.	Reject compliance systems limited to confidential state-to-state reporting with no public transparency.