University of St.Gallen
Institute for Law and Economics

Plurilateralism in International Tax Law

An Option for the New UN Framework Convention in Tax Matters

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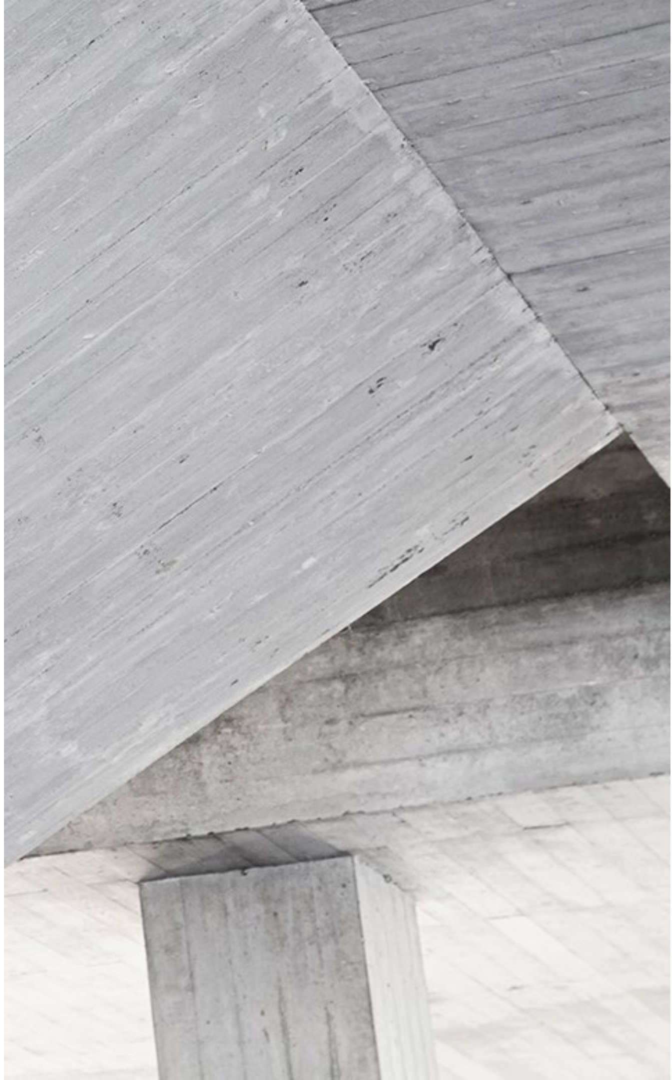


Agenda

1. Plurilateralism in Trade Law
2. The Weakness of the Current Regime
3. The New UN Framework Convention

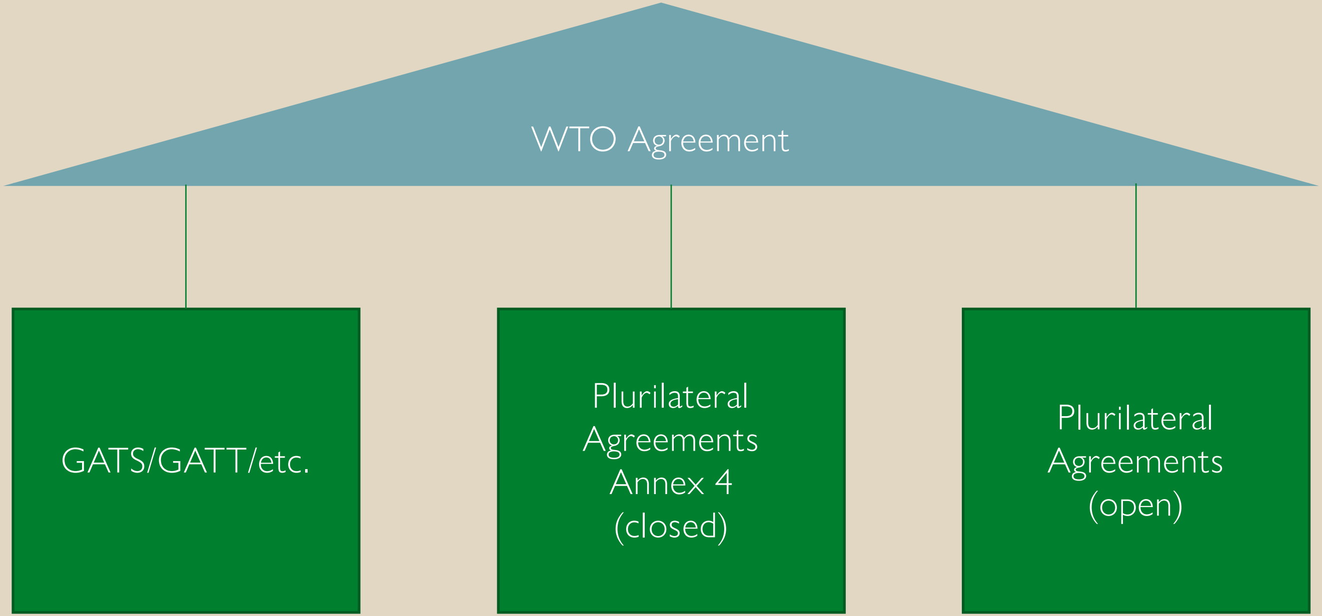
Plurilateralism in Trade Law

What is a plurilateral treaty?

Definition:
"multi-party, sector-specific agreements in the frame of an international organization or broader multilateral agreement by a subset of the overall membership."

Plurilateralism: A New Form of International Economic Ordering? – An Introduction forthcoming in the Journal of World Investment & Trade, 2025.
Georgios Dimitropoulos, Richard C. Chen, Julien Chaisse

Plurilateralism in Trade Law



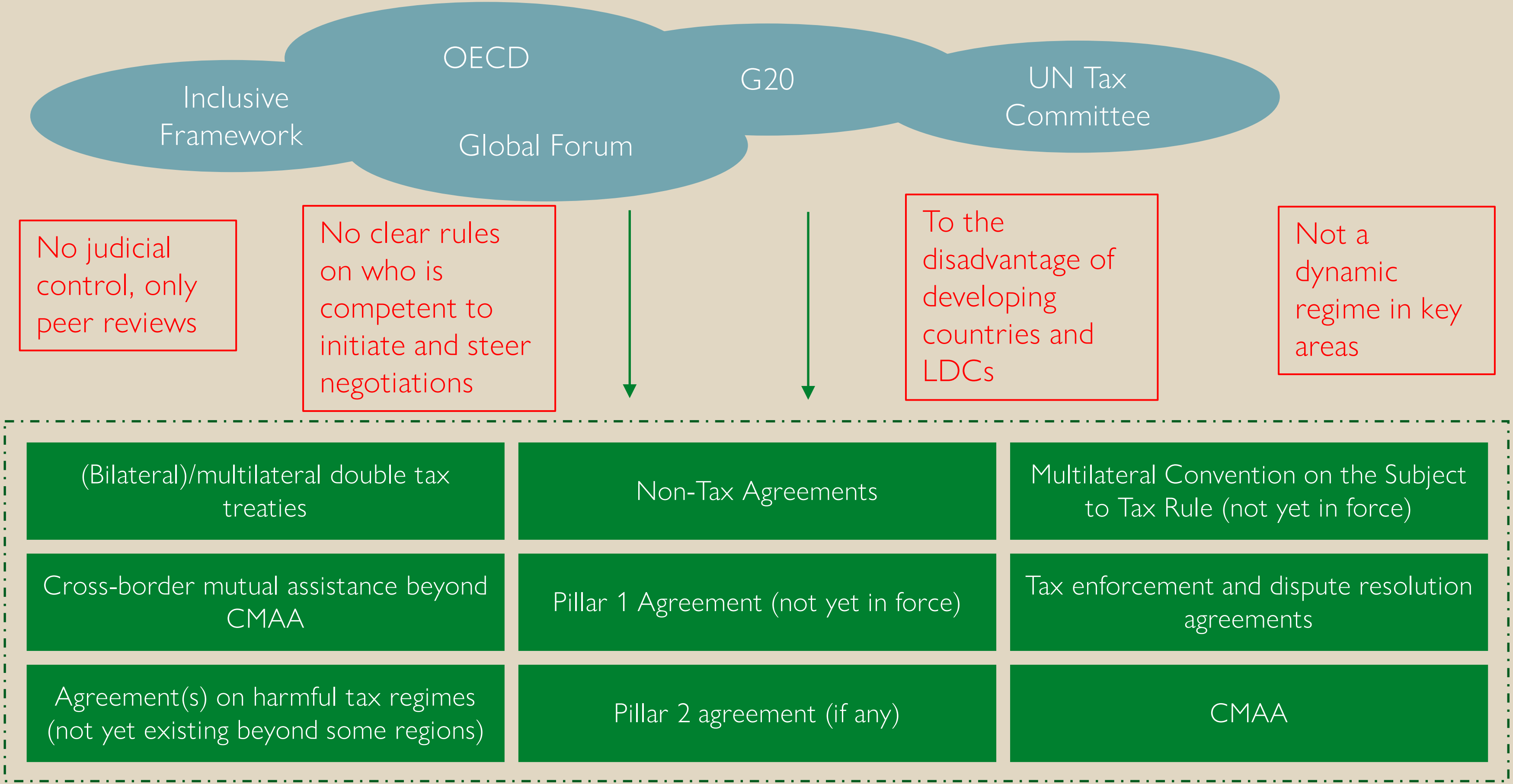
Plurilateralism in Trade Law

Closed Plurilateral Agreements:
- Under the WTO Framework
- Benefits of the agreement are available for signatory countries only, may be discriminatory
- E.g. Agreement on Civil Aircraft

Open Plurilateral Agreements:
- Under the WTO Framework
- Critical Mass Agreement
- Once critical mass is reached benefits are granted to all WTO-Members (including non-signatories), following the MFN principle
- E.g. Information and Technology Agreement (ITA)

Again:
"multi-party […] agreements in the frame of [a] broader multilateral agreement by a subset of the overall membership."

The Weaknesses of the Current Regime



Advantages / Disadvantages of Plurilateralism in a Multilateral System

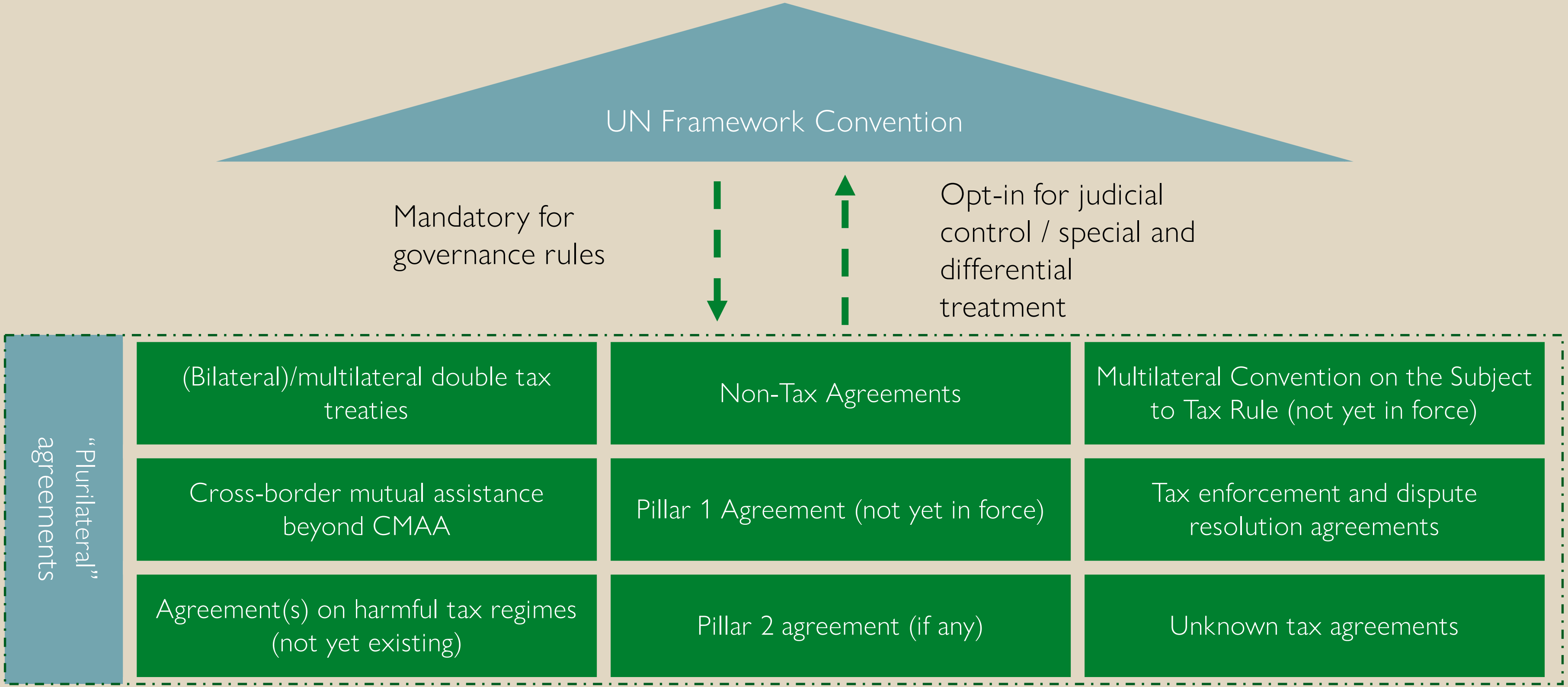
Advantages

- **Inclusiveness and openness of negotiations**
- **Specific advantages for developing countries and LDCs are possible**
- Unconditional MFN Basis and Critical Mass
- **The effectiveness of a tested judicial system**
- Streamlining governance
- **Dynamic regime**

Disadvantages

- Endangering an existing regime
- Fragmentation
- Creating a new plurilateral agreement could limit the development of a regime

The New UN Framework Convention



For more details: Plea for a Meta Regime! (and why the UN should be the governing body) – GLOBTAXGOV (leidenuniv.nl)

The New UN Framework Convention - Content

1. **Description of the goals**
   1. Reduce cross-border tax evasion
   2. Fight against illicit financial flows
   3. Facilitate fair cooperation in tax matters
2. **Functions**
3. **Conference of the parties (maybe adherence to the IF?)**
4. **Secretariat (maybe in Paris?)**
5. **Judicial body (optional for each treaty!)**
6. **Funding/Budget**
7. **Rule development:** *"The [new organisation] shall provide the forum for negotiations among its Members concerning their bilateral and multilateral relations in tax matters (incl. mutual assistance in tax matters)."* → *Rules of procedure as Annex*
8. **Plurilaterals: "***The agreements and associated legal instruments included in Annex [1] (hereinafter referred to as "Plurilateral Tax Agreements") are also part of this Agreement. The Plurilateral Tax Agreements do not create either obligations or rights for Members that have not accepted them."*
9. **Rules for the application of some treaties in a non-reciprocal form (special and differential treatment)**

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