YTJN Nairobi Tax Talks RoundUp: Third Session of the Intergovernmental Negotiating Committee to Develop a UN Framework Convention on International Tax Cooperation

The third intergovernmental session on the UN Tax Convention, hosted in Nairobi, Kenya, has three main objectives: to review the draft text of the Framework Convention negotiations to reach a common understanding on the articles and protocols and develop a more coherent text in the coming months; to provide updates on progress made during the intersessional period on Protocol 1, concerning the taxation of income from cross-border services, with a view to presenting potential options and approaches for the committee's consideration during the 4th session in February 2026; and to turn to Protocol 2, where the workstream has begun developing preliminary approaches outlined in the concept note.

Let's Talk about Day 2 of the Intergovernmental Negotiations for a UN Tax Convention.

Day 2 of negotiations at the Third Intergovernmental Session (INC3) on the UN Framework Convention on International Tax Cooperation centered on deep discussions around Articles 5 on High Net-Worth Individuals, Article 6 on Mutual Administrative Assistance , and Article 7 on Illicit Financial Flows, Tax Avoidance and Tax Evasion. Delegates continued to reflect on how a new international framework can bridge long-standing gaps in the global tax system.

A recurring theme throughout these discussions is whether the global community should divert their focus towards improving already existing mechanisms for tax cooperation, or actually take the time to design a new, inclusive architecture that better reflects the fiscal realities of the Global South? Of course some countries (we won't mention them for now) supported the idea of building on existing instruments, others *(especially those from the Global South)* emphasized the urgent need for a unified, equitable, and transparent system that ensures all countries can mobilize domestic resources effectively to finance sustainable development.

Photo of Article 5 of the Draft Framework Convention on High-Net Worth Individuals | Photo by IISD/ENB | Danny Skilton

Morning Talks

Taxation of High-Net-Worth Individuals (HNWIs): Discussions emphasized the growing need to ensure equitable taxation of high-net-worth individuals as part of strengthening global tax fairness. Delegates highlighted that addressing the concentration of wealth through effective taxation can enhance domestic resource mobilization and reduce fiscal inequalities. There was broad recognition that improved transparency, cross-border information exchange, and asset tracking are critical to closing tax loopholes and curbing illicit financial flows linked to private wealth.

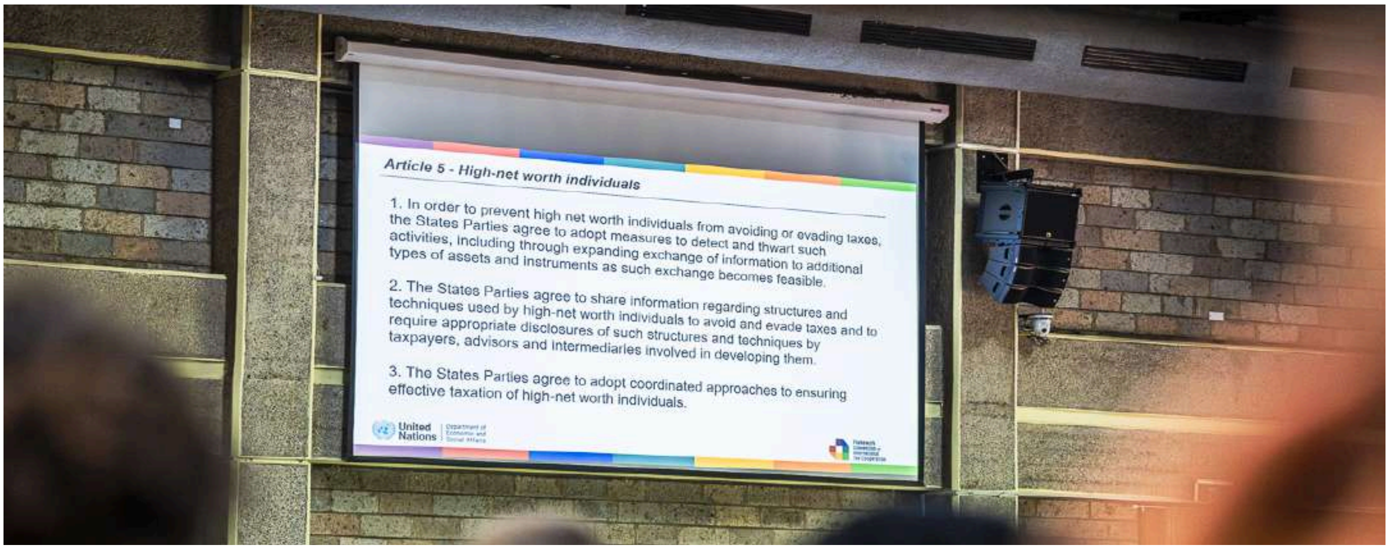

Photo of Article 5 of the Draft Framework Convention on High-Net Worth Individuals | Photo by IISD/ENB | Danny Skilton

Mutual Administrative Assistance and Transparency: The conversation also centered on enhancing mutual administrative assistance among jurisdictions to facilitate real-time data exchange, support compliance, and improve enforcement. Participants underscored the importance of building capacity in developing countries to benefit fully from such systems and ensuring that information-sharing frameworks are inclusive, secure, and aligned with global transparency standards. Proposals included developing centralized platforms and registers that would streamline cooperation and prevent tax avoidance practices globally.

Photo on a Handshake (Used to Signify Mutual Administrative Assistance) | Photo by IISD/ENB | Danny Skilton

Afternoon Talks

Illicit Financial Flows (IFFs), Tax Avoidance and Tax Evasion

Efforts to curb Illicit Financial Flows (IFFs) remain central to advancing global tax justice and sustainable development. Discussions highlighted how IFFs continue to erode domestic revenue bases, constrain public investment, and deepen inequality, particularly in developing economies. Participants emphasized the urgency of strengthening international cooperation on tax transparency, information exchange, and asset recovery to close existing loopholes that enable profit shifting and wealth concealment. There was broad agreement on the need for coordinated global standards that promote accountability across both public and private sectors. Emphasis was placed on building national and regional capacities to trace, monitor, and repatriate illicit assets while ensuring that reforms are equitable and inclusive. Addressing IFFs was seen not only as a fiscal priority but also as a governance imperative, critical to restoring public trust and financing sustainable development.

The Youth Spotlight: Calls for Accountability in Global Tax Governance

On Article 5, youth representatives from the DMUN Foundation, Children and Youth International, the European Youth Forum and the Youth for Tax Justice Network (YTJN) all featured within the frame of the Ffd Children and Youth Constituency of the Major Group for Children and Youth (MGCY) had core interventions on the following:

On **Taxing High Net-Worth Individuals**, Jon Paul Kafuko from the Youth for Tax Justice Network underscored that in a globalized economy, true sovereignty is measured not by isolation but by the ability to effectively tax high-net-worth individuals (HNWIs). He stressed that cross-border tax abuse erodes states' capacities to deliver public services, particularly in the Global South, and that the Convention must strengthen cooperation to ensure wealthy individuals are effectively taxed everywhere. Kafuko referenced Paragraphs 9(b) and 10(b) of the Terms of Reference (ToR), highlighting that respecting sovereignty also requires refraining from policies that harm the tax bases of other nations.

Lurit Yugusuk presented a powerful statement on the need for binding commitments to combat illicit financial flows (IFFs), noting that developing and transitional economies lose between US$500–800 billion annually, with Africa alone losing 3.7% of its GDP. Noting that these flows drain vital resources, undermine public services, and erode prospects for future generations. As such, key recommendations in her submissions included: Establishing specific, binding mechanisms to track, tax, and stop IFFs; Creating a Global Asset Register and strengthening Automatic Exchange of Information (AEOI) systems; and Replacing vague language with stronger terms: such as“Parties shall undertake measures to combat illicit financial flows.