40 YEARS OF WEAVING FEMINIST FUTURES

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A POLICY BRIEF BY AKINA MAMA wa AFRIKA

FEMINIST PATHWAYS TOWARD A FAIRER GLOBAL TAX ORDER

FEMINIST DEMANDS FOR THE UN FRAMEWORK CONVENTION ON INTERNATIONAL TAX COOPERATION (UNFCITC)

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1 INTRODUCTION

The UNFCITC represents a historic opportunity to restructure global tax governance in ways that directly advance gender equality. Current international tax arrangements facilitate more than $480 billion in revenue losses[1] annually from African and developing countries through corporate profit-shifting, wealth concealment by high-net-worth individuals (HNWI), and illicit financial flows (IFFs). These losses constrain states' fiscal capacity for social services, forcing women to absorb through unpaid care work what states cannot provide through public investment. This brief establishes that tax justice is feminist justice. When multinational corporations (MNCs) avoid taxation, when wealthy individuals hide assets offshore, when extractive companies secure excessive incentives, the resulting fiscal constraints manifest as cuts to agriculture, environmental protection, education, healthcare, childcare, and social protection, which are services that women disproportionately depend upon and whose absence intensifies women's unpaid care burdens. The UNFCITC negotiations therefore constitute critical terrain for feminist economic advocacy.

As part of shaping a bold and united feminist position on the UNFCITC, Akina Mama wa Afrika (AMwA) with the support from the African Women's Development Fund (AWDF), Christian Aid, and Equidad de Género convened a series of regional consultations between September and October 2025 in West Africa (Senegal) and East Africa (Kenya), culminating in a continental Feminist Rethink Space in Zambia. These strategic convenings brought together feminist economists, policy makers, climate and tax justice advocates, and civil society leaders to critically interrogate the structural gender biases in the international tax architecture to articulate a Pan-African feminist agenda for transformative tax justice. Through these consultations, AMwA reaffirmed that African governments must negotiate from a position that centres economic and gender justice, transparency, accountability, and sovereignty in global tax reforms.

1 State of Tax Justice Report 2023: https://taxjustice.net/reports/the-state-of-tax-justice-2023/

1.1 KEY DEMANDS

1. **Mandatory public country-by-country reporting (pCbCR)** by all significant MNCs to expose profit-shifting that erodes fiscal capacity for gender-responsive services

2. **Comprehensive beneficial ownership transparency (BOT) without exemptions** for state-owned or government-connected entities to prevent wealth concealment by predominantly male elites

3. **Protocols that should not be opted out** of to prevent the Convention becoming meaningless window-dressing

4. **Source taxation principles** recognising market jurisdictions' rights to tax digital platforms and extractive companies operating in their territories

5. **Coordinated minimum taxation** preventing race-to-the-bottom dynamics that erode fiscal space for social investment

6. **Transparent dispute resolution** with developing country participation rights to prevent powerful states settling disputes that affect African fiscal interests without meaningful input

The UNFCITC should not contain any provision that allows for optional protocol adherence. Optional protocols threaten to render the entire Convention ineffective. States can sign the main framework whilst opting out of substantive obligations, claiming participation in UN-led reform whilst maintaining harmful practices. Any Convention that permits such selective adherence represents failed negotiation unworthy of African countries' ratification.

2 BACKGROUND ON THE UN FRAMEWORK CONVENTION ON INTERNATIONAL TAX COOPERATION

International tax cooperation has historically occurred through the Organisation for Economic Co-operation and Development (OECD),[2] a club of predominantly wealthy states whose model tax treaties and transfer pricing guidelines systematically privilege residence over source jurisdiction. This architecture emerged during colonial and post-colonial periods[3] when capital flowed primarily from Global North to Global South, creating path dependencies that persist decades after formal decolonisation. The OECD's Base Erosion and Profit Shifting (BEPS) initiative[4], launched following the 2008 financial crisis, produced 15 action points addressing corporate tax avoidance but preserved fundamental asymmetries favouring capital-exporting states. Following sustained advocacy by developing countries, the UN General Assembly adopted resolution 78/230[5] in December 2023, establishing an ad hoc Intergovernmental Committee to draft terms of reference[6] for a UN Framework Convention on International Tax Cooperation. These terms of reference were adopted by the UN General Assembly via resolution 79/235[7]. This marked the first time that international tax norm-setting would occur through inclusive multilateral process rather than in forums where developing countries participate by invitation rather than right. The Intergovernmental Negotiating Committee (INC)[8] negotiating the text of the Convention itself held its first substantive session in August 2025 in New York, with its sessions advancing negotiations on the main Convention text and associated protocols.

The UNFCITC follows a hybrid structure drawn from multilateral environmental and human rights treaties: substantive in some areas (mutual administrative assistance, harmful tax practices), framework in others (fair allocation, IFFs, sustainable development). The main text addresses fair allocation of taxing rights, taxation of HNWI, mutual administrative assistance, prevention of IFFs, harmful tax practices,

2 Organisation for Economic Cooperation and Development (OECD) https://www.oecd.org/en.html

3 Breaking the Cycle of Domination in Global Tax Governance: Africans Defying Asymmetries and Seizing Opportunities: https://link.springer.com/chapter/10.1007/978-3-031-69793-7_18

4 Base Erosion and Profit Shifting (BEPS): https://www.oecd.org/en/topics/policy-issues/base-erosion-and-profit-shifting-beps.html

5 A/RES/78/230 General Assembly Resolution adopted by the General Assembly on 22 December 2023: https://docs.un.org/en/A/RES/78/230

6 Terms of Reference for a United Nations Framework Convention on International Tax Cooperation: https://docs.un.org/en/A/AC.298/2

7 General Assembly resolution 79/235 adopting the Terms of Reference and establishing the negotiating process https://financing.desa.un.org/document/general-assembly-resolution-79235

8 Intergovernmental Negotiations for UN Framework Convention on International Tax Cooperation: https://financing.desa.un.org/unfcitc

and dispute resolution. Protocol 1 concerns allocation of taxing rights including digital economy taxation, whilst Protocol 2 addresses prevention and resolution of tax disputes. This structure reflects negotiating strategy, which is securing agreement on normative framework before confronting distributional conflicts over substantive provisions and their implementation. However, it creates the critical vulnerability that states can accede to the Convention whilst declining protocols containing substantive obligations.

3 THE GENDER DIMENSIONS OF INTERNATIONAL TAX INJUSTICE

3.1 THE CARE ECONOMY

International tax injustice produces profoundly gendered consequences through the fiscal constraint it imposes on developing states. When MNCs shift profits to tax havens, when wealthy individuals conceal assets offshore, when extractive companies secure excessive incentives, states lose revenue necessary for financing public services. Faced with fiscal shortfalls, governments typically implement austerity measures reducing expenditure on health, education, social protection, and care services. Women bear disproportionate costs of these cuts through multiple channels[9]: as primary users of public health and education services for their families, women experience service quality deterioration and increased out-of-pocket costs. As workers concentrated in public sector employment, women face hiring freezes, wage restraint, and precarious contracts. Most critically, as providers of unpaid care work, women absorb through household labour what states no longer provide through public services.

The care economy dimension exposes how apparently neutral fiscal arrangements produce systematically gendered outcomes[10]. UN Women has affirmed that women perform more than seventy-five percent of unpaid care work globally[11], with proportions higher in many African contexts. This work:

9 Towards a Pan African Feminist Taxation Framework https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4730566

10 Gender Impacts of Government Revenue Collection: The Case of Taxation https://share.google/R6wFZXeZbsYa7Vt0K

11 Progress of the world's women 2015–2016: Transforming economies, realizing rights https://share.google/R6wFZXeZbsYa7Vt0K

childcare, eldercare, care for sick family members, household food preparation, water collection where infrastructure is absent, is essential for social reproduction yet remains invisible in national accounts and uncompensated through public policy. When states lack fiscal capacity to socialise care provision through public childcare, healthcare, water infrastructure, and social support services, this work intensifies women's unpaid responsibility. IFFs and corporate tax avoidance thus directly increase women's unpaid work burdens by depriving states of revenue required for care services. The hundreds of billions lost annually represent forgone investments in precisely the infrastructure and services that would reduce time poverty, enable women's labour force participation, and recognise care as collective responsibility rather than individual women's private burden.

3.2 THE EXTRACTIVE SECTORS

Mining and petroleum companies negotiate fiscal terms involving tax holidays, stabilisation clauses preventing rate increases,[12] and accelerated depreciation allowances that dramatically reduce effective taxation. These companies then shift remaining profits through transfer pricing manipulation,[13] charging inflated prices for equipment and management services from related parties in low-tax jurisdictions. The result is that resource-rich African countries derive minimal fiscal benefit whilst bearing substantial environmental and social costs.[14] Women in extractive-affected communities experience these costs acutely. Environmental degradation from mining operations contaminates water sources, forcing women to travel further for safe water. Air pollution increases respiratory illness, intensifying care burdens for sick children and elderly. Displacement from land eliminates subsistence agriculture that provided food security, making households dependent on cash incomes that employment in male-dominated mining sectors does not provide to women. Violence associated with extractive operations, including sexual violence by security forces and influxes of male workers, creates health and safety threats. Yet the fiscal revenues that could finance compensation, healthcare, alternative

12 Stabilization Clauses: The hidden provisions that can hinder tax and investment policy reform (2024) https://www.iisd.org/articles/insight/hidden-clauses-tax-investment-policy-reform

13 Transfer Pricing Manipulation and Capital Flight (2015): https://share.google/fdNyFPF5Bp69Ji3Mz

14 Financial compensation for business-related human rights violations in the mining sector: Challenges and ways forward (2022) https://www.elgaronline.com/edcollchap/book/9781802207460/book-part-9781802207460-12.xml

livelihoods, and social protection for affected communities are eroded through the very tax avoidance strategies these companies employ and the tax privileges they receive. Women thus bear the costs of extraction whilst seeing minimal fiscal benefit that might ameliorate harms or provide economic alternatives.

3.3 WEALTH INEQUALITY AND FISCAL INCIDENCE

HNWI's tax avoidance[15] produces gendered inequality through both wealth concentration and regressive fiscal incidence. Sophisticated wealth concealment structures, such as offshore trusts, foundations, shell companies, nominee shareholdings across multiple jurisdictions enable predominantly male elites to escape taxation whilst middle-income workers face effective taxation on wages through withholding. When the wealthy can opt out through opacity, tax burdens concentrate on labour income and consumption. This matters for gender equality because women earn less on average, hold less wealth, face greater barriers to capital accumulation, and derive larger proportions of income from wages subject to taxation. Research demonstrates that women own substantially less property, hold fewer financial assets, inherit less wealth, and accumulate less over life courses due to interrupted employment, pay gaps, and discrimination in credit markets.[16] When tax systems effectively capture labour income whilst allowing wealth and capital income to escape through offshore structures, this systematically disadvantages women relative to men. Further, when states respond to revenue shortfalls from wealthy individuals' tax avoidance by increasing consumption taxation, this doubly harms women who typically spend higher proportions of income on household necessities and who bear responsibility for household provisioning. The combination of wealth concealment by elites and consumption taxation of necessities produces fiscal incidence patterns that intensify gender inequality whilst constraining resources for redistributive social expenditure.

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15 ICRICT's statement on the negotiation of a UN Framework Convention on International Tax Cooperation: https://share.google/dhIsaw54RzioktuzS

16 Feminist Finance: Connecting Women with Finance through Mobile Banking and Zakat https://www.researchgate.net/publication/367255359_Feminist_Finance_Connecting_Women_with_Finance_through_Mobile_Banking_and_Zakat

3.4 AUSTERITY AND PUBLIC SECTOR EMPLOYMENT

Fiscal constraints from corporate profit-shifting and wealth concealment manifest as austerity measures that disproportionately affect women through public sector employment impacts. Women constitute majorities of public sector workers in health, education, and social services across most African countries. When governments implement hiring freezes, wage restraint, or workforce reductions responding to fiscal pressures, women face concentrated employment losses and income reductions. This matters because public sector employment has historically provided relatively stable, formally contracted work with benefits including maternity leave, health insurance, and pension contributions which is rare in private sectors characterised by informality and precarity. Public sector wage compression also typically produces smaller gender pay gaps than private sectors. When austerity erodes public sector employment quality and quantity, women lose access to relatively decent work whilst being pushed into informal sectors with worse conditions and no social protection.[17] The fiscal origins of these austerity measures in corporate tax avoidance and wealth concealment are rarely visible in public discourse, which instead frames fiscal constraint as inevitable economic reality requiring painful adjustments. Yet when hundreds of billions in potential revenue are lost to profit-shifting and offshore wealth concealment, austerity represents political choice about whose interests to privilege rather than economic necessity. Making these connections visible through transparency in corporate taxation and beneficial ownership enables feminist movements to contest austerity as outcome of unjust fiscal arrangements rather than accepting it as technical inevitability.

3.5 FOOD SYSTEMS AND AGRICULTURAL DEVELOPMENT

Fiscal constraints arising from corporate tax avoidance and IFFs undermine states' capacity to invest in agricultural infrastructure and food security

17 The Impact of Austerity Measures on Women-Owned Businesses in Zimbabwe: https://share.google/Os1DOJhu8qYtzvsFR

programmes, imposing systematically gendered costs through women's predominant roles in food production and household provisioning across African contexts.[18] When revenue losses prevent public investment in irrigation systems, rural roads, storage facilities, agricultural extension services, and market infrastructure, women smallholder farmers who constitute majorities of food producers in many African countries face intensified labour burdens whilst achieving lower productivity and market access.[19] The absence of subsidised inputs, price stabilisation mechanisms, and agricultural credit schemes which require fiscal capacity to sustain forces women farmers into precarious dependence on private input suppliers and exploitative intermediaries. Further, women's responsibility for household food provisioning means that when states lack fiscal resources for social protection programmes buffering against food price volatility, women absorb these shocks[20] through reduced consumption, increased time seeking affordable food sources, and intensified agricultural labour to maintain subsistence production. The connection to international tax architecture operates through the mechanism whereby profit-shifting by agricultural input suppliers, extractive companies degrading agricultural land, and trading companies controlling commodity chains erodes the fiscal capacity required for public investment in precisely the infrastructure and support services that would reduce women's agricultural labour burdens, enhance food security, and enable transition from subsistence to commercially viable farming. When Africa loses $89 billion annually in IFFs[21] while rural women work longer hours for lower returns in contexts of deteriorating infrastructure, this reflects political choices about whose economic interests warrant protection through international tax arrangements.

18 Women produce up to 80% of food in developing countries (2023): https://www.fao.org/family-farming/detail/en/c/1634537/

19 Women's engagement in agriculture and income inequality in sub-Saharan Africa (2024): https://www.sciencedirect.com/science/article/pii/S2590291124000858

20 Women's resilience to food price volatility: A policy response (2012) https://share.google/SQu6z5y-i7BgkC8BRa

21 Africa could gain $89 billion annually by curbing illicit financial flows (2020): https://unctad.org/es/conference/global-supply-chain-forum-2024/news/africa-could-gain-89-billion-annually-curbing-illicit-financial-flows

3.6 CLIMATE FINANCE AND ADAPTATION FISCAL CAPACITY

The erosion of domestic fiscal capacity through international tax injustice directly constrains states' ability to finance climate adaptation measures, producing acutely gendered impacts because women experience disproportionate vulnerability to climate shocks whilst bearing primary responsibility for household adaptation strategies.[22] When droughts reduce water availability, women travel further for safe water; when floods destroy crops, women intensify agricultural labour to restore food security; when extreme weather increases vector-borne disease, women provide care for sick family members. These adaptation burdens intensify precisely when fiscal constraints from corporate profit-shifting and wealth concealment prevent public investment in climate-resilient infrastructure including water harvesting systems, drought-resistant seed distribution, early warning systems, and climate-adaptive agricultural extension. The international climate finance architecture, which promises but consistently fails to deliver adequate, accessible, and non-conditional resources to developing countries,[23] cannot substitute for domestic fiscal capacity because climate adaptation requires sustained, locally-determined public investment rather than project-based external funding subject to donor priorities and cumbersome access mechanisms. The political economy dimension emerges when recognising that extractive companies whose operations accelerate climate impacts through emissions and environmental degradation,[24] simultaneously employ tax avoidance strategies eroding the fiscal capacity required for adaptation in affected communities, while wealthy individuals whose consumption patterns drive climate change conceal assets offshore avoiding taxation that could finance climate resilience. International tax arrangements that facilitate these revenue losses thus entrench climate injustice with profoundly gendered dimensions, as women in rural and peri-urban areas face intensifying climate impacts without commensurate public investment in adaptation infrastructure that might reduce their vulnerability and labour burdens.

22 10 Decolonial Feminist Principles to unlock climate finance in Africa! https://share.google/6f-5w1Ui0AGQPCk1Al

23 Is Africa Left behind in the Global Climate Finance Architecture: Redefining Climate Vulnerability and Revamping the Climate Finance Landscape (2023) https://www.mdpi.com/2071-1050/15/17/13036

24 Revealed: the 20 firms behind a third of all carbon emissions (2019) https://www.theguardian.com/environment/2019/oct/09/revealed-20-firms-third-carbon-emissions

4 HOW THE UNFCITC CAN ADVANCE GENDER EQUALITY

4.1 PUBLIC COUNTRY-BY-COUNTRY REPORTING (PCBCR) AS FEMINIST TRANSPARENCY

Mandatory pCbCR[25] represents perhaps the most critical provision for advancing gender equality through fiscal justice. When MNCs must publicly disclose revenues, profits, employees, assets, and taxes paid in each jurisdiction where they operate, this creates visibility that serves multiple feminist objectives. First, it enables tax authorities to identify and challenge profit-shifting that erodes fiscal capacity. When consolidated data shows corporations reporting high profits in low-tax jurisdictions whilst reporting losses in source countries where they maintain significant operations, this pattern becomes visible simultaneously to all affected tax authorities and to civil society. Developing country authorities who previously lacked information to assess whether profit allocations reflected genuine economic activity gain access to data enabling effective enforcement. Second, public reporting creates accountability mechanisms enabling feminist economic analysis and advocacy. Women's rights organisations can assess whether corporations operating in their countries contribute fairly to public finances relative to their economic activity. Extractive companies displacing communities, degrading environments, and generating health costs can be held accountable for ensuring adequate fiscal contributions to address these harms. Digital platforms extracting data[26] from African users whilst reporting minimal taxable profits in African jurisdictions can be challenged regarding fairness of their tax contributions. Third, public reporting shifts power dynamics in fiscal policy debates. When corporate taxation becomes transparent, governments cannot claim vigorous enforcement whilst actually accepting sweetheart settlements. Civil society can assess whether effective tax rates align with statutory rates and can identify patterns suggesting enforcement failures

25 Public Country-by-Country Reporting: Why and how multinationals should lift the lid on their taxes (2025) https://share.google/N8HG97Aq25m9M9owl

26 Why the U.N. Must Put AI and Data on the Tax Agenda (2024): https://www.taxnotes.com/special-reports/artificial-intelligence/why-u.n-must-put-ai-and-data-tax-agenda/2024/05/17/7jhny

or political interference. This visibility creates political pressure for robust administration that treats all taxpayers equitably rather than allowing well-connected corporations to negotiate favourable treatment.

4.2 BENEFICIAL OWNERSHIP TRANSPARENCY (BOT) AND WEALTH CONCEALMENT

Comprehensive BOT through mandatory public registries[27] serves feminist objectives by exposing wealth concealment structures that enable predominantly male elites to avoid taxation whilst fiscal burdens fall on those less able to pay. When all legal entities, trusts, foundations, and partnerships must disclose the natural persons with ultimate ownership or control, this disrupts the opacity enabling tax avoidance through offshore structures. Critically, BO registries must contain no exemptions for state-owned entities or government-connected persons. Politically connected individuals exploit such exemptions by routing ownership through state corporations or entities claiming diplomatic status. The Kuwait[28] example where state-owned corporations receive BO exemptions despite involvement in corruption shows how categorical exemptions create loopholes undermining the entire transparency regime. For feminist movements, BOT enables advocacy connecting wealth concentration to fiscal injustice. When ownership of extractive concessions, major real estate holdings, and financial assets becomes visible, civil society can assess whether economic resources are equitably distributed or concentrated among elites. When ownership structures reveal assets held by politically connected persons whilst governments claim insufficient resources for social services, this exposes fiscal choices about whose interests to prioritise.

27 Beneficial Ownership Transparency in Africa: The State of Play in 2020 https://share.google/6VLVPAmNJsTmWJXke

28 Overview of Kuwait Ministerial Decision No. 16/2025: Amendments to Kuwait Ministerial Decision No. 4/2023 on the Ultimate Beneficial Owner (UBO) https://www.lexismiddleeast.com/eJournal/2025-06-02_21

4.3 SOURCE TAXATION AND DIGITAL PLATFORMS

Establishing source taxation principles which recognise market jurisdictions' rights to tax digital platforms serves feminist objectives by ensuring that corporations deriving value from African users contribute to public finances.[29] Digital platforms extract enormous value through data harvesting, advertising, and facilitating transactions across African markets whilst reporting minimal taxable profits in African jurisdictions because permanent establishment concepts require physical presence. Women constitute significant proportions of users for social media platforms, e-commerce marketplaces, and digital services.[30] Their data, attention, and economic transactions generate value that currently escapes taxation, depriving African states of revenue whilst platform companies report profits in low-tax jurisdictions housing intellectual property rights or regional headquarters. Source taxation based on user presence and data extraction would capture fiscal contributions from this value creation. Furthermore, digital platform taxation connects to broader feminist concerns about data extraction and surveillance. When platforms harvest data from African users to train algorithms, target advertising, and sell to third parties, this constitutes value appropriation deserving compensation through taxation. Feminist movements concerned with data sovereignty, privacy, and exploitation can ally with tax justice advocates around ensuring platforms contribute fairly through taxation whilst also addressing data governance concerns.

4.4 COORDINATED MINIMUM TAXATION AND CARE ECONOMY INVESTMENT

Coordinated minimum taxation[31] preventing race-to-the-bottom dynamics serves feminist objectives by preserving fiscal space for social investment. When countries compete for investment through ever-lower corporate tax

29 Briefing Paper: Towards A Protocol On Taxing Cross-Border Services (2025) https://ssrn.com/abstract=5111067

30 7 Stats That Show Women Dominate Influencer Marketing (2024): https://www.fohr.co/articles/7-stats-that-show-women-dominate-influencer-marketing

31 The Global Minimum Tax (2023): https://share.google/xXgSiEDyDZe4VUwMb

rates and increasingly generous incentives, the resulting fiscal constraint manifests as reduced expenditure on health, education, childcare, and social protection which are precisely the services that would reduce women's unpaid care burdens and enable their economic participation. A minimum tax on corporate profits, extended to HNWI through coordinated approaches to wealth and capital income taxation,[32] would prevent the pattern where those most able to contribute face lowest effective rates. This preserves revenue for care economy investment including public childcare enabling women's labour force participation, healthcare reducing time spent caring for sick family members, water infrastructure eliminating hours spent collecting water, and social protection providing income security enabling women to escape poverty and domestic violence. The feminist case for minimum taxation rests on understanding that taxation is never merely technical but always distributional. It determines who contributes to public finances and who benefits from public services. Current arrangements enabling corporations and wealthy individuals to minimise taxation whilst women absorb care work reflect political choices about whose interests to privilege.

4.5 TRANSPARENT DISPUTE RESOLUTION AND FISCAL SOVEREIGNTY

Transparent dispute resolution with developing country participation rights serves feminist objectives by ensuring that tax controversies affecting African fiscal interests cannot be settled through opaque bilateral negotiations excluding affected parties. When competent authorities negotiate transfer pricing settlements or treaty interpretations behind closed doors, the outcomes implicitly allocate fiscal resources between jurisdictions without democratic accountability. For feminist movements, dispute resolution transparency enables scrutiny of whether tax authorities effectively protect public interests or accept settlements favouring taxpayers and powerful states.[33] When settlement outcomes, the positions adopted by competent authorities, and the reasoning underlying resolutions become public, civil society can assess whether dispute

32 A Blueprint For A Coordinated Minimum Effective Taxation Standard For Ultra-High-Net-Worth Individuals (2024): https://www.taxobservatory.eu//www-site/uploads/2024/06/report-g20.pdf

33 Dispute Resolution for International Tax: Reflections on Arbitration, the Mutual Agreement Procedure, and Mediation (2025): https://share.google/x0qDRxDGr679JX3WB

resolution operates equitably or reproduces power asymmetries favouring corporations and wealthy states. Developing countries standing to intervene in disputes affecting their revenue interests prevents bilateral settlements from binding third parties without meaningful input. This matters because transfer pricing allocations between two countries implicitly determine what profits remain available for taxation by source countries where economic activity occurs. Transparent dispute resolution with participation rights thus protects African fiscal sovereignty against erosion through agreements reached amongst powerful states without consultation.

5 CRITICAL RED FLAGS IN THE UNFCITC AUGUST 2025 NEGOTIATIONS

5.1 PROTOCOL 1: DIGITAL SERVICES TAXES AND COVERAGE

Protocol 1[34] negotiations on allocation of taxing rights have centred on whether digital services taxes should be recognised as legitimate source taxation measures. Several countries implemented such taxes applying 1.5% to 3% rates on revenues from digital activities, reflecting frustration with permanent establishment concepts exempting digital platforms. The OECD's Amount A[35] offers circumscribed market jurisdiction rights but only for the very largest MNCs, with high thresholds excluding most companies and requiring withdrawal of existing digital services taxes. From feminist perspective, digital services taxes offer pragmatic near-term revenue from platforms that would otherwise escape source taxation entirely. The administrative simplicity of revenue-based taxation makes implementation feasible for tax authorities with limited capacity. The precedent of multiple jurisdictions implementing such measures demonstrates political feasibility. Protocol 1 should recognise

34 A Roadmap for Negotiating the Protocols to the United Nations Framework Convention on Tax: https://www.iisd.org/system/files/2025-07/negotiating-protocols-un-framework-convention-tax.pdf

35 Reallocation of taxing rights to market jurisdictions: https://www.oecd.org/en/topics/sub-issues/reallocation-of-taxing-rights-to-market-jurisdictions.html#:~:text=Amount%20A%20of%20Pillar%20One,physical%20presence%20in%20that%20market

digital services taxes as legitimate transitional measures available to countries lacking alternative mechanisms for taxing digital economy activities. The coverage question: whether the Convention extends only to income taxes or includes wealth taxes, digital services taxes, and other fiscal measures directly affects gender equality prospects. Limiting coverage to income taxes would exclude wealth taxation essential for addressing concentration of assets among predominantly male elites. Extending coverage to digital services taxes would provide legitimacy and coordination mechanisms. Protocol 1 must establish comprehensive coverage enabling use of fiscal instruments relevant to gender-responsive domestic resource mobilisation.

5.2 PROTOCOL 2: TRANSPARENCY AND MANDATORY ARBITRATION

Protocol 2[36] negotiations on dispute prevention and resolution have focused on whether mutual agreement procedures (MAP) should operate transparently with published outcomes, whether developing countries should have participation rights in disputes affecting their interests, and whether mandatory arbitration should be required or optional. Transparency in dispute resolution represents a critical negotiating issue because mutual agreement procedures currently operate with minimal public accountability. Competent authorities negotiate settlements behind closed doors, outcomes are often unpublished, and affected taxpayers and third parties have limited visibility. This opacity enables settlements favouring maintenance of relationships over optimal outcomes, prevents precedential development, and forecloses public accountability including feminist scrutiny for whether tax authorities protect national interests effectively. Protocol 2 must establish mandatory publication requirements for MAP outcomes including facts, positions adopted, and reasoning. It must create registries of ongoing cases enabling affected parties to identify when interpretative positions affecting them are being negotiated. It must require statistics on MAP performance enabling assessment of whether procedures function effectively. For feminist movements, dispute resolution transparency enables advocacy connecting tax administration to social expenditure outcomes.

Mandatory arbitration represents among the most contentious issues. The OECD

36 A Roadmap for Negotiating the Protocols to the United Nations Framework Convention on Tax: https://www.iisd.org/system/files/2025-07/negotiating-protocols-un-framework-convention-tax.pdf

promotes mandatory binding arbitration as necessary for timely resolution, but arbitration transfers decision-making authority from democratically accountable domestic institutions to panels typically composed of practitioners from developed countries. Arbitration proceedings are expensive, produce confidential awards, and potentially favour taxpayer interests given arbitrators' professional backgrounds. Protocol 2 must make arbitration optional, available only when both disputing states consent. It must establish exhaustion of domestic dispute resolution before international mechanisms become available, preserving the role of domestic legal systems whose development serves rule of law objectives. It must require transparency including publication of awards and reasoning. For feminist perspective, mandatory arbitration represents further erosion of fiscal sovereignty whilst transparent optional arbitration preserves democratic accountability.

5.3 THE OPTIONAL PROTOCOL DILEMMA

The most serious design flaw threatening the Convention's effectiveness will lie in a provision allowing states to sign the main Convention whilst opting out of individual protocols. This creates fundamental tension between stated objectives and enforcement architecture. The main Convention establishes broad principles regarding fair allocation, prevention of double non-taxation, effective taxation of HNWI, combat against harmful tax practices, and transparency, yet specific obligations implementing these principles are deferred to protocols that states can selectively decline. An optional protocol structure will enable states to claim participation in UN-led international tax reform whilst avoiding substantive obligations that might constrain behaviour or reduce competitive advantages. Tax haven jurisdictions can accede to the Convention, gaining legitimacy and participating in governance bodies, whilst opting out of protocols requiring pCbCR, comprehensive BOT, or limitations on harmful tax practices. The Convention becomes a public relations exercise providing cover for continued harmful practices rather than constraining them. For feminist movements, optional protocols represent catastrophic failure because the provisions most critical for advancing gender equality through fiscal justice (public reporting, BOT, minimum taxation, dispute resolution transparency) become unenforceable when states can opt out. Better to have no Convention than to create a framework providing cover for continued extraction of African fiscal resources whilst constraining developing countries through purported international standards.

6 NON-NEGOTIABLE FEMINIST POLICY POSITIONS AND KEY DEMANDS

1

Mandatory Public Country-by-Country Reporting (pCbCR): The Convention must require all MNCs above modest revenue thresholds to publicly disclose revenues, profits, employees, tangible assets, and taxes paid on a country-by-country basis. Information must be published in standardised format through centralised registries accessible to tax authorities and civil society within reasonable timeframes after year-end. Data standards must enable identification of profit-shifting patterns including separate reporting of related-party transactions. No exemptions should be granted for particular sectors, government ownership, or claims of commercial sensitivity.

2

Comprehensive Beneficial Ownership Transparency (BOT): The Convention must establish mandatory public registries identifying all natural persons with ultimate ownership or control of legal entities, trusts, foundations, partnerships, and any other legal arrangement. These registries must be accessible without preconditions to tax authorities, civil society and the general public. Critically, no exemptions should exist for state-owned entities, government-connected persons, diplomatic entities, or any other category, as any exemption creates opportunities for structured avoidance. Registries must include immediate updating upon ownership changes and historical information enabling authorities to trace ownership over time.

3

Binding Protocols Without Opt-Outs: The Convention must include a provision to make protocols on pCbCR, BOT, enhanced information exchange, and dispute resolution transparency mandatory for all states parties. Optional adherence must be limited to genuinely technical implementation details or provisions where capacity constraints legitimately prevent immediate compliance, with technical assistance provided to enable implementation within reasonable timeframes.

4

Source Taxation Principles: The Convention must establish that states where economic activity occurs, where markets are located, where users engage with services, and where data is extracted possess primary taxing rights over income and profits arising from such activity. This must explicitly address the digital economy by recognising that an economic presence through sustained user interaction, market exploitation, or data extraction creates sufficient nexus for source taxation regardless of physical presence. Traditional permanent establishment concepts must not operate as de facto exemptions for digital business models.

5

Coordinated Minimum Taxation: The Convention must establish minimum effective tax rates on corporate profits with enhanced inclusion of currently exempted sectors including extractive industries and regulated financial services critical to African economies. It must commit states to developing coordinated minimum taxation approaches for HNWI ensuring that the wealthy face effective rates comparable to middle-income workers. Implementation timelines must be sufficiently short to prevent indefinite delay whilst recognising genuine capacity constraints, with technical assistance available to support implementation.

6

Transparent Dispute Resolution: The Convention must require mandatory publication of mutual agreement procedure (MAP) outcomes including facts, positions adopted by competent authorities, and reasoning underlying settlements. Statistics on MAP performance must be published annually enabling comparative assessment. Arbitration awards when arbitration occurs must be published with reasoning. Affected developing countries must have standing to intervene in disputes when interpretations being negotiated would materially affect their revenue interests. Arbitration must be optional rather than mandatory, with exhaustion of domestic dispute resolution required before international mechanisms become available.

7 CONCLUSION

Tax justice is feminist justice because fiscal arrangements are never gender-neutral but produce systematically different impacts on women and men based on their different positions within economic structures, their different access to resources, and their different responsibilities for social reproduction. When MNCs avoid taxation, when wealthy individuals hide assets offshore, when extractive companies secure excessive incentives, the resulting fiscal constraints fall disproportionately on women through reduced public services, intensified unpaid care work, and austerity-driven public sector employment losses. The UNFCITC can advance gender equality by requiring public country-by-country reporting that exposes profit-shifting eroding fiscal capacity, by establishing comprehensive beneficial ownership transparency preventing wealth concealment by predominantly male elites, by enshrining source taxation principles ensuring digital platforms and extractive companies contribute fairly to public finances, by implementing coordinated minimum taxation preventing race-to-the-bottom dynamics, and by creating transparent dispute resolution with developing country participation rights. These provisions would enhance African states' fiscal capacity for gender-responsive public expenditure, shift fiscal burdens towards those with greatest capacity to pay, create transparency enabling feminist economic advocacy, and prevent harmful competition eroding resources for social reproduction.

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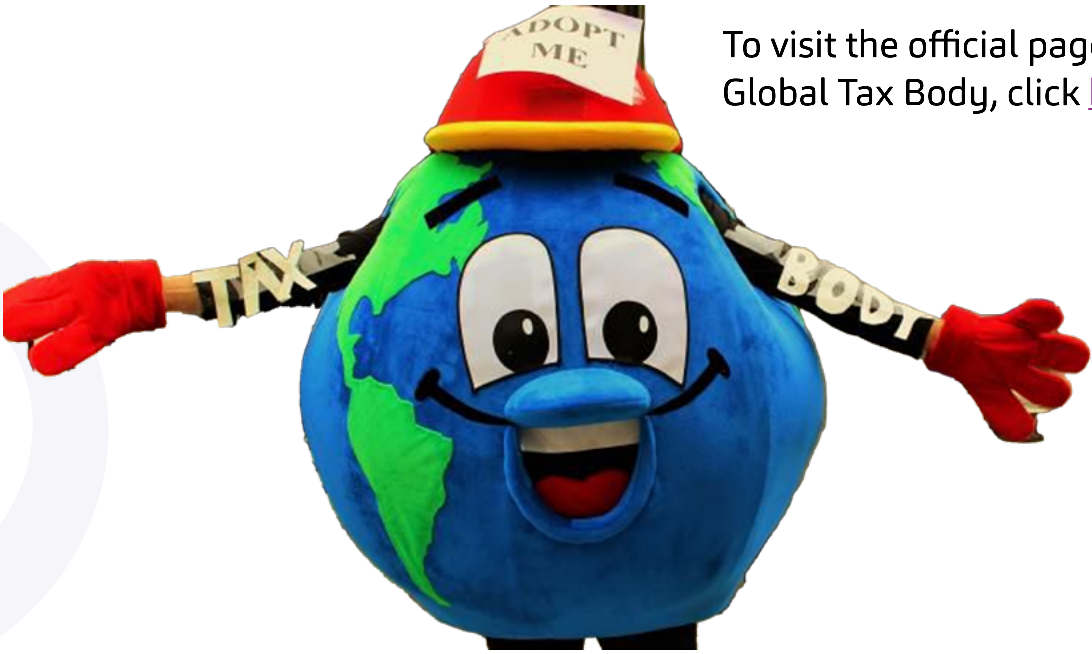

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