



**BRUSSELS | 9 FEBRUARY 2026**

## **UN Intergovernmental Negotiating Committee Advances Drafting of International Tax Cooperation Convention**

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The [Fourth Session of the Intergovernmental Negotiating Committee](#) on the United Nations Framework Convention on International Tax Cooperation commenced last week at UN Headquarters in New York and will continue on this week. The session marks the transition from scoping to technical drafting and is intended to advance work on the framework convention and two early protocols, with the objective of completing technical drafting during 2026 and addressing outstanding political issues in 2027. Proceedings are being held in person and webcast via UN Web TV in all six official UN languages.

During the opening meetings, the Committee began a technical review of the updated [Draft Framework Convention template](#) under Work Stream 1, including new provisions on exchange of information and capacity building and technical assistance. The Chair confirmed that the Committee will focus on refining commitments and advancing the overall structure of the draft convention. Article 13 on dispute prevention and resolution was temporarily removed from the draft to allow further consideration of its scope and its relationship with dispute resolution mechanisms envisaged under the protocols and the convention framework.

Substantive negotiations during the first week focused on revised draft articles addressing sustainable development, fair allocation of taxing rights, high-net-worth individuals, tax-related illicit financial flows, harmful tax practices, and mutual administrative assistance. Proposed revisions on the allocation of taxing rights emphasise the entitlement of jurisdictions where value is created, markets are

located or economic activity takes place to tax a portion of related income, including through renegotiation of inconsistent tax agreements. Draft provisions on high-net-worth individuals address detection, information sharing and coordinated taxation approaches, while the revised article on tax-related illicit financial flows narrows its focus to combating such flows through administrative cooperation and exchange of information.

The Committee also reviewed revised articles on harmful tax practices, highlighting cooperation, transparency and effective taxation, and on mutual administrative assistance, which now separates exchange of information into a standalone article and sets out expectations on scope, timeliness and cooperation.

Negotiations will continue as the session progresses, alongside parallel work under [Work Stream 2](#) on the taxation of cross-border services and [Work Stream 3](#) on dispute prevention and resolution.

## **EU Parliament's ECON & FISC to Hold Structured Dialogue With Commissioner Hoekstra on 2026 Tax Files**

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This evening, on 9 February 2026, the European Parliament's Committee on Economic and Monetary Affairs (ECON) and the Subcommittee on Tax Matters (FISC) will [hold a structured dialogue](#) with Commissioner Wopke Hoekstra, responsible for taxation, as part of scrutiny of the Commission Work Programme for 2026. The exchange is scheduled to take place from 21:00 to 22:00.

The discussion will focus on the taxation-related elements of the 2026 Commission Work Programme, including legislative proposals in the tax area that the Commission intends to withdraw. The session will provide Members of ECON and FISC with an opportunity to question the Commissioner on the rationale, scope and implications of the planned withdrawals, as well as on the Commission's broader priorities for EU tax policy in 2026.

## **OECD Revised Manual on Effective Mutual Agreement Procedures**

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The OECD will hold a technical [webinar](#) tomorrow on 10 February 2026, from 12:30–13:45 CET, to present the 2026 edition of the [Manual on Effective Mutual Agreement](#)

*Procedures* published last week, supporting the work of the BEPS Inclusive Framework and the Forum on Tax Administration to strengthen international tax dispute resolution. Developed by competent authorities participating in the FTA MAP Forum, the 2026 edition updates and expands the original 2007 Manual, with a stronger practical focus reflecting developments in MAP practice since the introduction of the BEPS Action 14 minimum standard. The revised MEMAP is intended as a comprehensive, non-binding guide for both competent authorities and taxpayers on the effective conduct of the MAP process.

Compared with the original version, the 2026 MEMAP introduces a revised structure aligned with the full lifecycle of a MAP case, from pre-MAP considerations through unilateral and bilateral phases to arbitration. It incorporates close to 60 aspirational best practices covering each step of the process, including dispute prevention measures, expectations regarding taxpayer engagement, and guidance on the organisation, resourcing and independence of competent authority functions. The revised Manual places greater emphasis on proactive dispute prevention, such as improved audit quality, enhanced coordination between audit and competent authority functions, and the use of APAs and general MAP agreements to address recurring issues.

The updated MEMAP also provides more detailed procedural guidance than the 2007 edition, including clearer expectations on timelines, inventory management and transparency, as well as standardised templates for MAP requests and notifications. Notably, it includes practical guidance on MAP arbitration, which was not addressed in the original Manual, and expands discussion of access to MAP in areas such as taxpayer-initiated adjustments, audit settlements and cases involving anti-abuse provisions. While the MEMAP does not modify treaty obligations or the BEPS Action 14 minimum standard, it consolidates current practice and highlights best practices aimed at improving the efficiency, consistency and timeliness of MAP outcomes.

The webinar will present these updates and their practical implications for competent authorities, businesses and tax practitioners involved in cross-border dispute resolution. Those interested to participate can register at this [link](#).

## **EU Parliament Assesses Role of Reverse Charge Mechanism in Addressing VAT Fraud**

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The European Parliamentary Research Service has published a [briefing](#) examining the role of the reverse charge mechanism in tackling missing trader intra-Community (MTIC) VAT fraud. The paper notes that MTIC fraud is among the most damaging forms of VAT fraud, with estimated annual losses of between €12.5 billion and €32.8 billion across the EU.

The briefing outlines the operation of the optional reverse charge mechanisms under Articles 199a and 199b of the VAT Directive, both currently authorised until 31 December 2026. Article 199a allows Member States to apply a sector-based reverse charge to supplies considered particularly vulnerable to fraud, such as mobile phones, integrated circuit devices, gas and electricity, and certain agricultural and metal products. Article 199b provides for a quick reaction mechanism enabling a temporary reverse charge in cases of sudden and massive fraud, subject to strict procedural conditions. Both mechanisms are temporary derogations from the general VAT rule under which liability rests with the supplier.

In assessing effectiveness, the briefing reports that Article 199a has been widely used and is generally viewed by Member States as an effective tool in reducing MTIC fraud in targeted sectors, with several reporting higher VAT revenues and significant reductions in fraud. At the same time, the paper highlights associated risks, including administrative complexity, divergent sector classifications, potential displacement of fraud to uncovered sectors or jurisdictions, and the concentration of fraud risks at the final stage of the supply chain.

Looking ahead, the briefing notes that any extension beyond 2026 will require careful assessment, alongside consideration of complementary tools such as digital reporting requirements and enhanced EU-level cooperation.

## **[CFE ECJ TaskForce Opinion Statement on CJEU Case C-142/24 Familienstiftung](#)**

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CFE Tax Advisers Europe's ECJ Task Force has published a new [Opinion Statement](#) analysing the CJEU's judgment in *Familienstiftung v Finanzamt Köln-West*, which

addresses the gift tax treatment of transfers to domestic and foreign family foundations under the free movement of capital.

The Statement examines the Court's reasoning on restriction and comparability, noting in particular that the CJEU assessed comparability by reference to the taxable event itself, the inter vivos transfer of assets, rather than downstream tax consequences arising from national policy choices.

A central focus of the Opinion is the Court's acceptance of fiscal coherence as a justification for less favourable treatment of foreign foundations. The CFE ECJ TaskForce highlights that the CJEU adopted a flexible approach to the requirement of a "direct link" between a tax advantage and a corresponding tax burden, accepting a connection despite a significant temporal gap and uncertainty as to whether the substitute inheritance tax will ultimately be levied.

The Statement also draws attention to the Court's emphasis on proportionality *stricto sensu*, underlining that national legislation remains incompatible with EU law if it systematically results in a significantly higher tax burden for cross-border situations, an assessment left to the referring national court.

The [Opinion Statement](#) analyses *Familienstiftung* against the background of the Court's established case law on inheritance and gift taxation and outlines the boundaries of fiscal coherence as a justification under the fundamental freedoms. We invite you to read the Statement and remain available for any queries you may have.

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