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Committee of Experts on International Cooperation in Tax Matters

Sixteenth session

New York, 14–17 May 2018

Item 3 (c) (iii) of the provisional agenda*

**Update of the handbook on extractive industries
taxation issues for developing countries**

3. The Subcommittee is a well-balanced one of individuals who have made proven contributions in the field. Ensuring that developing country perspectives are at the core of the work may call for more representatives from developing countries to be engaged going forward, but in the meantime special attention will be placed on ensuring that developing country realities and priorities are fully taken into account.
4. It has not been possible so far to convene a meeting of the Subcommittee, but it is proposed to meet for two days in either the week starting the 18th or the 25th of June 2018 after the meeting in New York. The agenda will, first of all, be to evaluate the first edition of the United Nations Handbook on Selected Issues in the Taxation of the Extractive Industries for Developing Countries (which the Secretariat advises is due to be launched in electronic form during the 16th session of the Committee) and how the guidance can be improved in general terms, enhancing its practical benefit for developing countries.
5. The meeting will also consider, subject to guidance received at the sixteenth session, possible areas for adding to the guidance contained in the first edition. At the fifteenth session, a paper (E/C.18/2017/CRP.29) was considered by the Committee that proposed some possible areas of focus as follows:

Going forward the Committee may consider establishing a Subcommittee to

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issues (this was an issue kept open for future consideration by the previous subcommittee);

tax treatment of subcontractors and service providers;

a specific chapter on Production Sharing Contracts;

tax treatment of financial transactions that support the extractive and energy sector, such as hedging, finance leases, debt financing and thin capitalization issues;

environmental tax issues; and

tax incentives and the extractive industries.

Some of these items may need to be considered in conjunction with other

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6. The Subcommittee is likely to meet at the Institute for Fiscal Affairs, Ministry of Finance of Spain, on 20-21 June 2018, in Madrid.
7. At the sixteenth session, it is proposed to have some very brief interventions from subcommittee members on some of these specific issues, and to seek guidance from the Committee, as well as observer views, on how best to fulfil the mandate as efficiently as possible.