International Taxation

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
International Taxation	**4**	**3**	**1**	**0**	**Pass in Class XII**	**NIL**

Learning Objectives:
The course aims to introduce students to the issues of international tax avoidance and evasion. The course would also create awareness about the various methods followed to alleviate international double taxation, along with understanding international initiatives on tax compliance.

Learning Outcomes:
After completion of the course, learners will be able to:
1. Comprehend the meaning and causes of international double taxation.
2. Develop an understanding of the different methods adopted by countries to alleviate international double taxation.
3. Analyse the techniques used for international tax evasion and avoidance.
4. Appreciate the methods used nationally and internationally for prevention of international tax evasion and avoidance.
5. Recognise the tax challenges arising from digitalisation of the economy

Course Contents:
Unit 1: International Double Taxation (10 hours)
Concept of international double taxation; principles of international taxation – source rule and residence rule; international tax evasion and avoidance; Advance Ruling; withholding tax rates on different sources of incomes.

Unit 2: Alleviation of International Double Taxation (10 hours)
Methods to alleviate international double taxation: exemption method, tax credit method, tax sparing credit method; bilateral tax treaties (Double Taxation Avoidance Agreements) – objectives, features and benefits; multilateral tax treaties; bilateral investment treaties.

Unit 3: International Tax Evasion and Tax Avoidance (10 hours)
Methods of tax evasion and avoidance: Base Erosion and Profit Shifting [BEPS]; tax havens and treaty shopping; the case of India-Mauritius tax treaty.

Unit 4: Prevention and Challenges (15 hours)
Prevention of International Tax Evasion and Tax Avoidance : Arm's length price, transfer pricing regulations in India, transfer pricing compliance practices; Advance Pricing Agreements; anti-treaty abuse provisions; General Anti Avoidance Rules.

Exercises:
The learners are required to:
1. Engage in case studies of some specific bilateral treaties to understand and demonstrate the concept of tax treaty shopping.
2. Collect data on corporate taxes and total taxes and observe the trend of corporate taxes as a source of revenue.
3. Write a report on reforms for the digitalisation of tax reporting.
4. Prepare an assignment report on transfer pricing
5. Prepare a report on BEPS.
6. Discuss the tax challenges arising from digitalisation of the economy.

Suggested Readings:

- Agrawal, D. C. (2016). Basic Concepts of International Taxation, Taxmann.
- Garg, K. (2019). Guide to International Taxation. Bharat Law House
- OECD (2022). Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.
- OECD (2020). Tax Challenges arising from Digitalisation – Economic Impact Assessment: Inclusive Framework on BEPS.
- OECD (2017). Model Convention on Income and Capital.
- United Nations (2018). Department of Economic and Social Affairs, United Nations Model Double Taxation Convention between Developed and Developing Countries. ● UNCTAD (2023). World Investment Report.
- Vijayasarathy, D. (2018). Fundamentals of International Taxation. Bharat Law House
- https://www.oecd.org/tax/beps/beps-actions/

Note: Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.