

Discipline Specific Elective Course- 8.10(DSE-8.10): International Taxation

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/Practice		
International Taxation: DSE-8.10	4	3	1	0	Pass in Class XII	NIL

International Taxation BC: DSE- 8.10

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. Compare and evaluate the different methods adopted by countries to alleviate international double taxation.
3. Analyse the techniques used for international tax evasion and avoidance.
4. Evaluate the methods used nationally and internationally for prevention of international tax evasion and avoidance.
5. Demonstrate their awareness of international model conventions on prevention of international double taxation.

Course Contents:

Unit 1: International Double Taxation (12 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. Methods of tax evasion and avoidance: transfer pricing, Base Erosion and Profit Shifting; tax havens and treaty shopping; the case of India-Mauritius tax treaty.

Unit 2: Alleviation of International Double Taxation (12 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.

Model Bilateral Double Taxation Conventions: OECD Model Convention and United Nations Model Convention.

Unit 3: Prevention of International Tax Evasion and Avoidance (12 hours)

Arm's length price, transfer pricing regulations in India, transfer pricing methods, transfer pricing compliance practices; Advance Pricing Agreements; anti-treaty abuse provisions; General Anti Avoidance Rules; exchange of information. BEPS Action Plan, BEPS Multilateral Instrument; Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEP

Unit 4: Tax Challenges arising from Digitalisation of the Economy (9 hours)

Importance of corporate taxes; trends in corporate taxes; reforms in international direct taxation rules, indirect taxation and e-commerce; enhancing Digital Platforms Reporting.

Exercises: The learners are required to:

1. Conduct an inter-country comparison of corporate taxes as well as withholding tax rates for different kinds of income.
2. Conduct a trend analysis of proliferation of bilateral tax treaties over a period of time.
3. Prepare case studies of some specific bilateral treaties to demonstrate the concept of tax treaty shopping.
4. Conduct an in-depth analysis of the methods used by individual countries as well as international organisations to avoid base erosion and profit shifting
5. Make presentation on contemporary issues such as tax challenges arising from digitisation of economies.

Suggested Readings:

- Agrawal, D. C. Basic Concepts of International Taxation, Taxmann.
- Garg, K. 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 (2017). Department of Economic and Social Affairs, United Nations Model Double Taxation Convention between Developed and Developing Countries.
- UNCTAD (2021). World Investment Report.
- Vijayasarathy, D. 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.